M349/245G

~~S-E-C-R-E-T~~
SECURITY INFORMATION

(1)

ECONOMIC INTELLIGENCE REPORT

(b)(1)
(b)(3)
(S)

COMMUNIST CHINA'S IMPORTS AND EXPORTS, 1952:

CONTROLS, TRADE AND SHIPPING INVOLVED

CENTRAL INTELLIGENCE AGENCY

EIC.R1-62

25 May 1953

STATUTORY DECLASSIFICATION REVIEW
☐ Retain Classification ☐ Change to _____
☐ Declassify ☐ Downgrade to _____ ☐ Upgrade to _____
☐ Classification cancelled per _____
☐ Classification changed to _____ per _____
☐ Classification retained as _____ (Authority for action)
By _____ Date _____

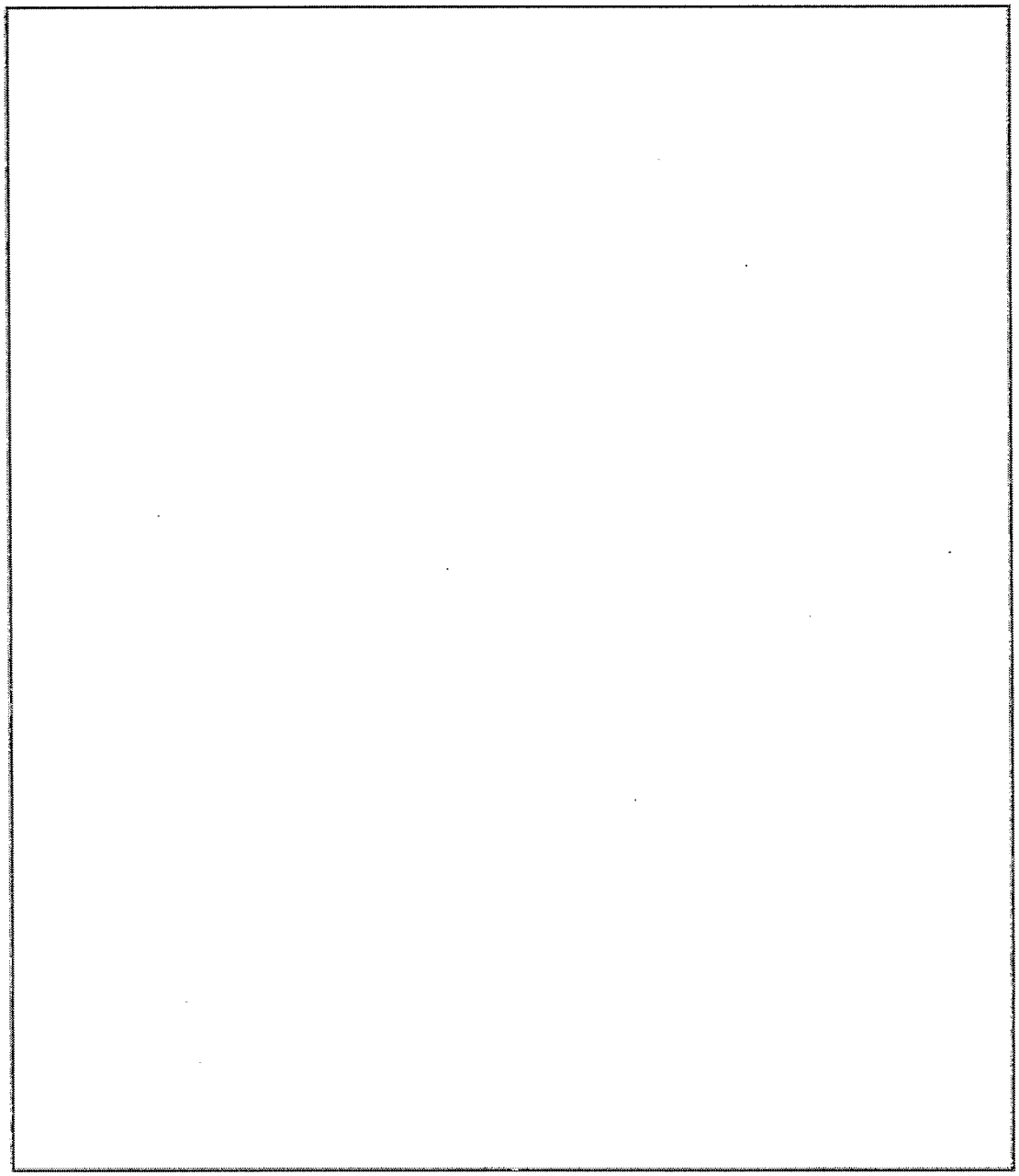
PREPARED ACTIVITY BY

ECONOMIC INTELLIGENCE COMMITTEE

APPROVED FOR RELEASE
DATE: APR 2004

~~S-E-C-R-E-T~~

FOREWORD



~~S-E-C-R-E-T~~

CONTENTS

		Page
I.	Summary of Major Developments During 1952 and the First Quarter, 1953	1
	A. Trade and Shipping Controls	1
	B. Trade	2
	C. Shipping	4
II.	Current Status of Controls Against Communist China	8
	A. Present Controls	8
	1. Trade Controls	8
	2. Other Controls	15
	B. Uncontrolled Items	19
	C. Comparison of Controls Against Communist China and the Remainder of the Soviet Bloc	21
III.	Trade	27
	A. Trade with Non-Soviet Bloc Countries	27
	1. Imports	27
	2. Exports	40
	B. Trade with the Soviet Bloc	41
	1. The Level of Trade	41
	2. Seaborne Trade	45
	3. Overland Trade	46
IV.	Volume of Imports	47
	A. From Non-Bloc Countries	47
	1. Volume of Recorded Imports	47
	2. Volume of Unrecorded Imports	48
	B. From Bloc Countries	50
	1. Seaborne	50
	2. Overland Imports	50
	C. Capacity of Shipping Arriving in Communist China	51
	1. Introduction	51
	2. Non-Bloc Arrivals	51
	3. Soviet Bloc Arrivals	52
	D. Comparison of Shipping Capacity and the Volume of Seaborne Cargoes	53
	E. Comparison of Rail Capability and Overland Imports from the USSR	54

Page

1. Capability of the Trans-Siberian Railroad and Connecting Transportation Routes into Manchuria and Korea 54

2. Comparison of Overland Trade and Inland Transportation Capacity 57

V. Assistance to the Soviet Bloc by Non-Bloc Shipping Services . 58

A. Involvement of Non-Bloc Vessels 58

B. Scheduled Voyages of Non-Bloc Ships 59

C. Charter of Non-Bloc Vessels 59

D. Non-Bloc Deliveries of Ships to the Bloc 59

E. Non-Bloc Repairs to Bloc Vessels 60

F. Volume and Composition of the Soviet Bloc Merchant Fleet. 60

Appendix. Detailed Data on Merchant Shipping Involved in Trade with Communist China 81

Explanatory Notes 84
Tab A 85
Tab B 93
Explanation of the Term Involvement 102
Tab C 103

Annex. Developments During the First Quarter of 1953 114

Tables

Page

I. Estimated Value of Chinese Communist Imports from Non-Communist Countries, 1952 62

II-A. Estimated Value of Chinese Communist Exports to Non-Communist Countries, 1952 64

II-B. Estimated Volume of Chinese Communist Exports to Non-Communist Countries, 1952 66

III-A. Summary of Hong Kong's Exports (by Value) to Communist China, 1952 69

III-B. Summary of Hong Kong's Imports (by Value) from Communist China, 1952 70

III-C. Summary of Hong Kong's Recorded Exports (by Quantity) to Communist China and Macao, January-December 1952 71

IV. Estimated Volume of Chinese Communist Seaborne Imports, 1952 72

V. Soviet Bloc and Non-Soviet Bloc Registered Shipping Arriving in Communist Chinese Ports, 1952, by Quarters 73

VI. Non-Bloc Vessels Under Charter to Soviet Bloc Countries, 1952 74

Tables (Continued)

		Page
VII.	Non-Soviet Bloc Merchant Vessels Engaged in Scheduled Voyages, Europe-China, 1952, by Owner and by Registry	75
VIII.	Soviet Bloc and Non-Soviet Bloc Registered Merchant Shipping Involved in Communist Chinese Seaborne Trade in 1952	76
IX.	Ships and Services Acquired by the Soviet Bloc from Non-Bloc Countries During 1952	77
X.	Merchant Ships of the Soviet Bloc, Including Those of Communist China, 31 December 1952	79
XI.	Through Traffic Capability of the Trans-Siberian Railroad and Connecting Lines Into Manchuria and North Korea, 1953 ...	80

NOTE ON CLASSIFICATION

The over-all classification of this report is SECRET. Some pages, however, are of lower classification and are so designated.

~~S-E-C-R-E-T~~
~~Security~~ Information

COMMUNIST CHINA'S IMPORTS AND EXPORTS, 1952: CONTROLS, TRADE AND SHIPPING INVOLVED

I. Summary of Major Developments During 1952 and the First Quarter, 1953

A. Trade and Shipping Controls

Since the end of 1951 there has been a general tightening of controls as applied to trade with Communist China and North Korea and additional measures have been enacted to control shipping carrying cargoes to these countries.

Through international negotiations in the Coordinating Committee at Paris, participating countries have agreed at the instance of the US and UK Governments to extend the list of items banned for export to Communist China to cover all IL III items and 10 items on the UK Supplementary List. With the establishment of the China Committee of COCOM in November 1952, this joint effort was continued with the result that by 30 April 1953, 36 more items on the UK Supplementary List plus 4 additional items had been agreed for embargo. Japan's election to COCOM and CHINCOM has been followed by a relaxation by that country of the strict export controls enforced by SCAP.

During 1952 the US Government instituted controls over the import from Hong Kong, Macao, Japan, Formosa and other areas of Chinese type goods and permitted their import only when they could be proved to be of non-Chinese Communist origin. The authorities [redacted] have cooperated in these controls by the issue of special certificates of origin in accordance with procedures agreed upon with the US Government. The US is the only country which has applied such controls. In May 1952 the US Government ceased to issue licenses for strategic imports from Communist China.

In August 1952 the US prohibited its oil companies from bunkering vessels carrying strategic cargoes to or destined for Far East Communist ports and Macao. On 15 April 1953 the US Government extended its bunkering controls to vessels returning from Communist Far Eastern ports after carrying strategic cargo to these areas.

On 30 March 1953 the UK Government and its Colonies imposed a system of voyage licensing to prohibit all ships over 500 GRT registered in the UK

or its Colonies, whether or not chartered to foreign charterers and irrespective of the origin of the cargo from carrying strategic goods to Communist China. On 30 April 1953 the UK Government augmented limited bunkering controls by applying formal controls on the bunkering, east of Suez and including Port Said, of vessels bound for Communist China. Bunkers are refused for ships of Soviet Bloc registry or sailing from Soviet Bloc ports or in cases where a vessel not subject to voyage licensing is carrying a significant quantity of strategic material for Communist China.

The French Government in December 1952 restricted the bunkering of Soviet Bloc ships at Djibouti.

B. Trade

Since the end of 1951 there have been changes in the pattern and volume of trade with Communist China and in the nature of the goods involved.

The downward trend of exports from non-Communist countries which occurred in 1951 as a result of the general imposition of trade controls was reversed during the second half of 1952 when there was a notable increase in direct shipments to Communist China from Western Europe. This trend was greatly accentuated in the first quarter of 1953 when recorded exports from Western Europe exceeded those for the whole of 1952. There is no evidence that any large quantity of cargo was shipped to China direct from Western countries contrary to the trade control regulations of the countries of origin. There is, however, evidence that advantage has been taken of the fact that the list of items controlled for export to Western Soviet Bloc nations is less comprehensive than that for Communist China. In this way a considerable quantity of goods on the China embargo lists has been shipped to Bloc ports in Europe and then may be assumed to have been re-exported to Communist China. Chinese Communist imports from the Western Hemisphere were negligible during 1952.

Hong Kong's recorded exports to Communist China which amounted to $356 million in 1951 fell to $91 million in 1952. The main items included fertilizers, dyestuffs, chemicals and pharmaceuticals. At the same time, Hong Kong's imports from China (largely essential foodstuffs) remained about the same, leaving a large import balance. Owing to the increasing controls on East-West trade a growing number of ships by-passed Hong Kong and [illegible]

increase in Hong Kong's exports to Communist China throughout the year from the low level reached at the end of 1951. There was a further sharp rise in the first quarter of 1953, although the rate of increase was less marked than that shown in the figures of exports from Western Europe.

[redacted] have agreed to an arbitrary figure of 10,000 tons ($3 million) as a reasonable allowance for smuggling out of Hong Kong. This allowance does not take account of the [redacted] view [redacted] that there may have been sizeable additional cargoes carried in ocean-going vessels from Hong Kong.

In over-all commodity terms, the most important development in Communist China's import trade with the non-Communist world during the year was the sharp increase in imports of pharmaceuticals (to 10 per cent of the total value of recorded imports), chemical fertilizer (8 per cent of total value), and crude rubber from Ceylon (9 per cent of total value). However, raw cotton from Pakistan and Egypt (43 per cent of total value) continued to be the most important single commodity import. On the basis of partial data, notable changes during the first quarter of 1953 were the absence of raw cotton imports from Pakistan and the increase in imports of iron and steel products, machinery, industrial chemicals and chemical fertilizer from Western Europe, rubber from Ceylon, and pharmaceuticals and dye stuffs from Hong Kong.

Chinese Communist seaborne imports from the Soviet Bloc increased during 1952, particularly by means of an organized service from Poland both in Soviet Bloc ships and in ships chartered from the West.

Imports via the Trans-Siberian Railway continued at a high level during 1952. [redacted] the capacity of inland transport facilities between the Soviet Far East and Communist China in about 7.4 million tons per year. [redacted] China's imports (including military supplies destined for use in North Korea) over these routes in 1952 were of the order of 3.3 to 4.3 million tons.

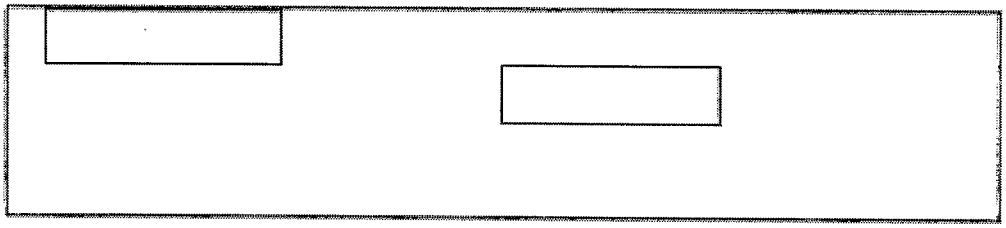
[redacted]

It has been estimated that Communist China's total trade was about $2,1[illegible]

~~S-E-C-R-E-T~~

During 1952 the Chinese Communists continued to receive indirect assistance through charters by the Soviet Bloc of 241 non-Bloc ships totalling about 1,200,000 GRT. Only a few of these vessels made voyages to China but some have released Soviet Bloc vessels for that purpose.

During 1952 Western nations delivered 14 new ships totalling about 85,000 GRT to the Soviet Bloc and executed major repairs on 49 Soviet Bloc vessels.



~~S-E-C-R-E-T~~

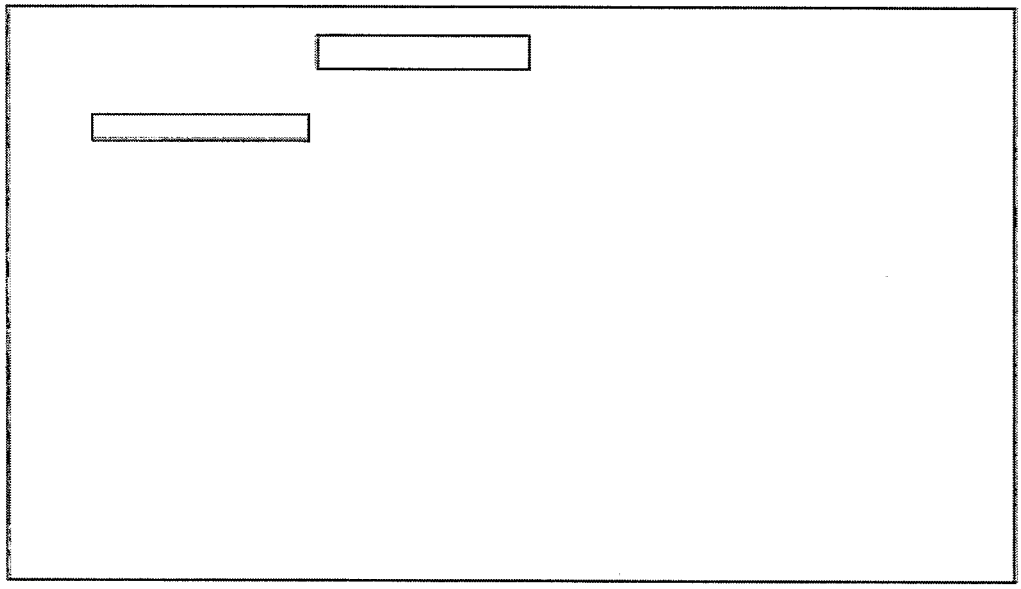
ESTIMATED IMPORTS OF COMMUNIST CHINA - 1952

	VOLUME (000 tons)						VALUE (million US $)
	SEA-BORNE				OVERLAND	TOTAL VOLUME	
	SEA-BOLT SHIPS		MINOR PORTS	TOTAL SEABORNE			
From Non-Communist Countries	Bloc Flag	Non-Bloc Flag					
Recorded Imports							
Hong Kong a/		127	63	190	24	214	86
Pakistan	2	78		80		80	98
Ceylon	24			24		24	28
Other Asia and Near East		44		44		44	20
Western Europe b/		135		135		135	25
Sub-total, recorded	26	384	63	473	24	497	256
Unrecorded Imports							
Hong Kong (smuggled) a/				10 c/		10	8
Macao				4 c/		40	21
Western Europe							25 d/
All Other				60		60	16
Sub-total, unrecorded				110		110	70
Total, Non-Communist Countries				583	24	607	320
From the Soviet Bloc							
Eastern Europe	295	100		395			
Soviet Far East	100	20		120			
Total, Soviet Bloc	395	120		515	330-430 e/	3300-4800	910 f/
GRAND TOTAL, ALL AREAS				1,098	330-430	4400-5410	1,180

(See footnotes on the following page.)

S-E-C-R-E-T

Footnotes to Table on Estimated Imports of Communist China - 1952



II. Current Status of Controls Against Communist China

A. Present Controls [1]

1. Trade Controls

Most of the nations outside the Soviet Bloc now apply some form of export controls against Communist China. In January 1948, the US and the UK imposed a ban on the export of arms, ammunition, and implements of war to China. Following the Communist domination of China in 1949, both agreed in December of that year to control exports of additional strategic commodities, subject to the cooperation of other OEEC countries. In view of the Communist aggression in Korea, the US, in June 1950, revoked all outstanding licenses of US Positive List items [2] destined for Communist China, North Korea, Hong Kong, and Macao; in December 1950 when the Chinese Communists intervened on a large scale in Korea, the restrictions applicable to Communist China were extended to a complete ban on exports and shipping, a ban on imports except for certain strategic items when specifically authorized, and a freezing of its dollar assets. US export and shipping regulations were applied also to Hong Kong and Macao in order to prevent diversions of US exports to Communist China. The latter regulations in effect banned for a period the export to these ports of US goods including those en route. In the case of Hong Kong only, these controls were gradually relaxed to permit some exports to that colony for domestic consumption. Canada and Japan followed suit with embargoes which were almost total. The UK controls were augmented throughout this period to prohibit the export of a wide range of items of strategic importance but UK policy stopped considerably short of a complete ban on exports. In June 1950 Hong Kong prohibited the export

---

1/ The effectiveness of these controls is treated in subsequent sections.

2/ The Positive List is the US official public list issued by the Department of Commerce comprising those items the export of which requires an individual validated export license issued by the Office of International Trade of the Department of Commerce. The Positive List includes all of the items covered by the US security lists (except for a few on the I-C list) and also all items controlled for reasons of short supply.

of all articles to North Korea, and in July and August of the same year Hong Kong prohibited the export to China of some 200 items of strategic importance including petroleum. This export control list was further augmented in December 1950 and again in March 1951.

a. Coordinated Controls

Prior to the outbreak of the Korean War the countries participating in the International Consultative Group (CG) and Coordinating Committee (COCOM) 1/ in Paris had not agreed to a uniform policy to control the export of strategic items to Communist China which at that time was not treated formally by the Committee as a part of the Soviet Bloc. In July 1950 the Coordinating Committee redefined the Soviet Bloc to include Communist China and North Korea. This action made applicable to Communist China the COCOM controls then in force against the Soviet Bloc. Briefly stated, these controls consisted of: (1) embargo, except for prior commitments or hardship cases, of International List I (IL/I) items; (2) restriction of exports of IL/II items to agreed quantitative quotas or to a quid pro quo basis; and (3) exchange of information and surveillance on shipments of IL/III items. 2/

1/ The countries participating in the Coordinating Committee (COCOM) as of June 1950 were Belgium, Canada, Denmark, France, German Federal Republic, Italy, Luxembourg, The Netherlands, Norway, the UK and the US. Portugal was admitted to COCOM in the summer of 1951, and Japan in September 1952. It was agreed in principle that the controls exercised by these countries should apply to their overseas territories, but there was a time lag in the full application.

2/ International List criteria informally applied are:
(a) IL/I -- Embargo:
(1) Items which are designed or used principally for the production and/or development of arms, ammunition, and implements of war.
(2) Items which would contribute significantly to the war potential of the Soviet Bloc where the items incorporate advanced technology or unique technological know-how. This applies only to goods sufficiently important to the war potential of the Soviet Bloc that the absence of an embargo would permit a significant advance in Soviet Bloc technology over its present level of development.
(3) Items which would contribute significantly to the war potential of the Soviet Bloc in that the items, if embargoed, would maintain or create a critical deficiency in the war potential of the Soviet Bloc.
(b) IL/II -- Quantitative Control:
Items which are highly important from the point of view of their contribution to the war potential of the Soviet Bloc and of which the high strategic character is directly related to the quantitative extent to which they may be exported to the Soviet Bloc.
(c) IL/III -- Exchange of Information:
Items of potential strategic significance for which information currently available on the Soviet Bloc needs is insufficient to establish clearly the necessity for control of types indicated.

Associated with the COCOM controls was the "Reference" Munitions List, drawn up in 1950, which, for the most part, was a composite of the munitions lists of the participating countries. This list was set up for the guidance of the COCOM countries in administering their own controls over munitions. The participating countries agreed to embargo all of the items on the referenced list.

b. UN Additional Measures Resolution

Pursuant to a resolution of the United Nations General Assembly on 18 May 1951, 45 nations indicated that in accordance with the recommendations of the resolution they were applying embargoes on the shipment to Communist China of "arms, ammunition, and implements of war, atomic energy materials, petroleum, transportation materials of strategic value and items useful in the production of arms, ammunition, and implements of war." However, since each country has been free under this resolution to adopt its own interpretation as to what constitutes "transportation materials of strategic value" and "items useful in the production of arms, ammunition, and implements of war," lists in individual countries vary widely. Furthermore, the control mechanisms and their effectiveness likewise differ considerably from country to country.1/

The United Nations resolution further recommended that every state "prevent by all means within its jurisdiction the circumvention of controls on shipments applied by other states." The interpretation of this part of the resolution also was left to the discretion of the individual states, with the result that the degree of implementation varied perhaps even more widely than in the case of controls over exports of indigenous products.

An important achievement of the UN resolution was to increase the number of countries accepting the principle of collective economic

1/ For example, exports by parcel post to Communist China, North Korea and Macao, are generally not controlled except by the US, the UK and Hong Kong.

sanctions against aggression. Some countries, because they did not produce or trade in the strategic items listed in the resolution, limited their responses to a general undertaking not to supply these items to Communist China and North Korea. Certain countries in South and southeast Asia and in the Middle East, however, were unwilling firmly to commit themselves publicly to support of the resolution. In this category were Ceylon, Egypt, India, Pakistan and Burma. Argentina refused to give support to the resolution.

In June 1951 the United Kingdom and its colonies including Hong Kong adopted the China Prohibited List which included, although not in identical terminology, all items on International Lists I and II, a number of International List III items, and a Supplementary List 1/ of 36 items or categories of goods not covered or inadequately covered by the International Lists. Hong Kong, in addition to banning the export to Communist China of all such goods plus certain others on the UK Positive List, and quantitatively controlling their export to Macao, imposed an import control over the same range of items and issued import licenses only for legitimate consumption in Hong Kong and for controlled re-export to non-Communist countries.

c. Additional COCOM Measures

In September 1951, at the request of the UK, COCOM began discussion of a more restrictive policy based upon the UK China Prohibited List of June 1951. By 1 January 1952 the participating countries had agreed to ban the export of all IL/I and IL/II items, but several countries were unwilling to include particular items on IL/III and the UK Supplementary List. On 10 June 1952 COCOM unanimously agreed to ban the export of all IL/III items. Subsequently 10 items on the UK Supplementary List were added by COCOM to the agreed embargo list for Communist China.

d. CHINCOM

In the fall of 1952 a China Committee (CHINCOM) was set up in Paris for the purpose of developing detailed aspects of security export control

---

1/ See page 23.

policy relating to Communist China,1/ as laid down by the Consultative Group (CG/COCOM) and for implementing such policy. This committee is concerned specifically with security export control problems relating to Communist China, such as lists of items to be denied, and shipping and transshipment questions relating to China trade. 2/ Permanently represented on this Committee are Canada, France, Japan, the UK and the US. In addition, all governments of the Consultative Group are entitled to participate fully in deliberations and discussions of the China Committee with respect to any issues in which they have a genuine interest. In order to ensure a speedy and efficient handling of problems relating to China, this committee maintains close relationship with the chairman of COCOM. Any COCOM member may propose items for the agenda of CHINCOM.

A progress report on the work of CHINCOM is summarized in tabular form on pages 23 - 25. As of 30 April 1953 approximately 24 items on the US Supplementary List plus 4 additional items had been agreed to for embargo. Efforts are continuing to be made by the US and the UK to persuade the other COCOM-CHINCOM countries to ban the export to Communist China of all the items on the UK Supplementary List. Controls on certain additional items are under discussion. Voyage licensing and bunkering controls have been agreed to by several of the countries (see subsection 2.e.).

As a result of Japan's joining COCOM and CHINCOM and the withdrawal of SCAP supervision, a relaxation of the Japanese ban on exports to Communist China is taking place, and the list of items which may be exported to Communist China is being expanded.

1/ For the purposes of this decision, the term "China" is intended to include Communist China, North Korea, and such other areas, excluding Soviet territory, as may be agreed.

2/ "China trade" is intended to cover not only direct trade subject to security export controls with those areas, but also transshipment trade.

The statute further requires under Title II that the US Government negotiate a program for the control of items which are of strategic importance but do not require complete embargo. Aid may be withdrawn from any country which does not effectively cooperate with the US in establishing a program for controlling exports of these items of strategic importance or which fails to furnish information sufficient to determine whether it is effectively cooperating with the US.

f. Mechanisms for Trade Controls

The security export controls exercised by non-Soviet bloc countries, in general, have been superimposed on the existing trade control machinery, usually an export-import licensing office. In certain countries of Western Europe, private trade associations play an important part in the export control decisions.

The principal means by which the major industrial countries of the non-Soviet world control the export of security items is through a requirement that a validated license be secured for each shipment. In order to avoid evasion of controls over direct shipments to Communist China, many non-Soviet nations exercise precautions aimed at preventing the materials from being diverted from the receiving country to Communist China, or to a third nation which might reship the commodity. One of the precautionary measures employed by the exporting countries is the end-use check. The COCOM countries have also introduced the Import Certificate/Delivery Verification (ICDV) system, whereby the government of the importing country certifies the statement of the importer that the specific commodity will be used either domestically or re-exported only in conformity with agreed export control policies. This procedure is intended to reduce the need for the time-consuming end-use checks and provide evidence of diversions. There has been a considerable time lag, however, in the implementation of this system in certain countries. COCOM countries have recently agreed to make more extensive use of this system, and are preparing to exchange lists of export licenses issued against import certificates (ICs). The ICDV scheme has been extended to certain Far Eastern overseas territories and further extension of the system is currently under discussion in COCOM. In Hong Kong a more comprehensive system of end-use guarantees known as Essential Supplies Certificates was introduced as early as

~~S-E-C-R-E-T~~

2. Other Controls

a. Transshipment Controls

The US and Canada have instituted a system of transshipment licensing for goods of all kinds destined for Communist China, North Korea, Hong Kong and Macao. The UK has a similar transshipment licensing system but uses a less comprehensive list which covers in effect arms and munitions, all goods on International List I, a few on II/II, all metal working machine tools and rubber, as these are considered by the UK to be of major strategic importance to Communist China. The UK transshipment control applies to goods on the transshipment list when in transit, whether or not on a through bill of lading, landed on the quay side or transferred from one vessel to another in the UK but not to goods in transit which remain on board a vessel even when they are reconsigned to a new destination. There are no transshipment controls applied by Hong Kong although legal powers to control transshipment cargo exist to be applied at the discretion of the Hong Kong Government.

To date, Belgium and The Netherlands, whose ports traditionally have served as major transit points in Western Europe, have not adopted transshipment licensing. All COCOM countries, however, have agreed that transshipment controls are necessary, and they are at present engaged in working out the details of such controls.

b. Financial and Transaction Controls

Under regulations issued 17 December 1950, the US Government prohibited all trade and financial transactions involving the Chinese Communist and North Korean regimes and their nationals by persons subject to the jurisdiction of the US, except with the prior approval of the Treasury Department. To make these regulations effective all Chinese Communist and North Korean assets in the US were frozen and provisions were made for

remittances to those areas only on a licensed basis. This action has resulted in an embargo of US imports from Communist China and North Korea, except for certain purchases of strategic commodities specifically authorized by the US Government prior to early May 1952.

The US Government also instituted controls during 1952 over the import from Hong Kong, Macao, Japan, Formosa, and other areas, of Chinese type merchandise and permitted their import only when they could be proved to be of non-Chinese Communist origin. The authorities [redacted] have cooperated in these controls by the issue of special certificates of origin in accordance with procedures agreed upon with the US Government. The US is the only country which has applied such controls against Communist China.

The UK does not apply transaction controls at present but has indicated a willingness to adopt such controls in the UK only and that conditionally upon agreement of all other COCOM countries to institute simultaneously effective transaction and transshipment controls.

c. Transport Controls

The security export control programs have also covered certain aspects of the shipping field. Sales of ships to the Soviet Bloc by COCOM countries have been placed under control as items on the export control lists. On 27 October 1952, COCOM countries banned the export to Communist China of all watercraft (ships and boats) and their important components. Except for the denial of important components, there is no uniform control over the repair and servicing of Chinese Communist vessels in COCOM countries.

The US prohibits its oil companies from bunkering vessels carrying strategic cargoes to Far East Communist ports and Macao, or strategic cargoes destined for these areas even though the vessel itself does not call at such ports. Although petroleum products are on IL/I, neither the US nor the UK prohibits their oil companies from supplying bunkers to vessels carrying non-strategic cargoes to Communist China. In each case where bunkers are requested of a US company, the burden of proof as to the strategic character of the cargo rests with the oil company, unless it seeks prior advice of appropriate [illegible]

Until recently, British companies continued to honor bunkering contracts for vessels of Soviet flag. Since the beginning of 1953, however, the UK Government has taken steps to tighten up the operation of its policy to deny bunkers where possible to ships carrying strategic goods to Communist China, and a new set of instructions was brought into use on 30 April 1953 covering bunkering requests for ports East of and including Port Said. Under these instructions the British oil companies must refer to the UK Government every request for the supply of bunkers to ships sailing to Communist China if they are of Soviet Bloc registry or sailing from Soviet Bloc ports. In such cases the request will be refused. Bunkering requests for other ships sailing to Communist China and not subject to voyage licensing are referred to the UK Government for guidance where time permits, and will be refused, or acceptances cancelled, if there is available information that they are carrying a significant quantity of strategic cargo. In any case where a request has been refused, it is open to the owners or charterers to produce evidence that the cargo is non-strategic, and if this is done to the satisfaction of the government, bunkers may be supplied. A similar system of control applies to the supply of marine lubricants and bunker coal.

Where ships believed to be carrying strategic cargo ask or are expected to ask British oil companies for bunkers in ports not under British control, the local government will be asked not to countermand any instructions given by the UK Government to the company, but in the last resort the final decision rests with the local government.

In Hong Kong a system of bunkering controls has been in operation since mid-1951 whereby the three major oil companies refuse bunker oil and lubricants to any vessel, whether ocean-going or junk, unless specifically exempted or in possession of a government permit or other authorization stipulating the exact amount of petroleum products that may be purchased.

The French Government refused in December 1952, to renew the contract held by Mory Bros. to bunker Polish vessels at Djibouti. On 26 March 1953 the French Government announced that it would institute controls to deny bunkers to vessels carrying strategic cargo to Communist China.

On 15 April 1953, the US instructed its oil companies and their foreign branches and subsidiaries to refuse bunkers to any vessel returning from Far East Communist ports and Macao unless it can be proved that the vessel carried solely non-strategic cargo to these areas on its outbound voyage. They were further instructed to deny bunkers to any vessel returning from any Far East ports, where there is cause to believe that the vessel was refused bunkers on its outbound voyage. In the case of the UK, however, British oil companies are free to bunker on the return voyage ships that have carried strategic cargo to Communist China.

US and Costa Rica formally control (and in practice prohibit) chartering of their flag vessels for trade with the Soviet Bloc. In addition the US prohibits its flag vessels from calling at ports under the control of Communist China. Liberia exercises controls over cargoes that can be carried by its flag vessels to the Bloc. The Mutual Security Agency now inserts a clause in its charterparties for movement of cargoes to Formosa which stipulates that vessels will not engage in trade with Communist China or any other Soviet Bloc destination for a period of 60 days after discharge of cargo in Formosa. The MSA now also inserts a restrictive clause in its charterparties for the movement of cargoes to Indochina, Thailand and the Philippines which prohibits a vessel from calling at any Communist Far East port (the minimum clause) for 60 days after discharge of cargo in the specified areas. Other government agencies have agreed to take similar action for charterparties applicable to areas covered by their programs.

Until recently, only three countries (Panama, Costa Rica and Honduras) had regulations similar to the US prohibition of flag vessels calling at Chinese Communist ports. Most of the Panamanian vessels engaged in trade with Communist China withdrew after the Panamanian decree of 18 August 1951. By March 1953, Panama had revoked the registry of those vessels which remained in that trade. It is assumed that these vessels are now flying the Chinese Communist flag. Effective 17 March 1953, the Greek Government prohibited Greek-registered vessels from calling at ports controlled by Communist China and North Korea.

On 31 March 1953, the UK and colonies imposed a system of voyage licensing to prohibit British ships over 500 GRT from carrying strategic cargo to any Chinese Communist port. This system applies to all ships registered in the UK and the colonies, whether or not chartered to foreign charterers, and irrespective of the origin of the cargo. Its provisions, therefore, cover voyages from one Communist Chinese port to another. Strategic cargo, for voyage licensing purposes, is defined by a list covering substantially the items on the UK China Prohibited List, but simplified in statement for purposes of recognition. The terms of the license prohibit the ship from carrying listed goods to Communist Chinese ports, and the duty of compliance rests with the owners and masters. In every case the grant or refusal of a license is at the discretion of the authorities. Proof of compliance with the order, by submission of manifests, is now normally required, and where infringement is suspected, the proof of guilt is the responsibility of the authorities. Canada has adopted similar legislation. France and the Netherlands have taken steps which in effect go a considerable way toward this objective.

B. Uncontrolled Items

The present selective export controls permit the shipment to Communist China of a wide range of goods that are not included on control lists of various countries because they are not judged by

those countries to be strategic. Goods not on the UK China Prohibited List include general industrial chemicals and dyes, fertilizers, pharmaceuticals, 1/ paper, jute, jute bags, cotton textiles, raw cotton, foodstuffs, textile machinery, some general-purpose machinery, and some metal manufactures. In general, the continental European countries of COCOM do not ban exports to Communist China of many types of products including industrial and electrical equipment and machinery, precision instruments, and iron and steel semi-manufactures which are embargoed by the US, the UK, Hong Kong and Canada. Natural rubber, although placed on the China Prohibited List by the UK in June 1951, and about the same time embargoed by Thailand and Indonesia, has continued to move directly to Communist China from Ceylon. Burma also made one shipment but subsequently prohibited all exports of rubber to Communist China.

Of the non-Soviet nations that trade with Communist China on a significant scale, India, Pakistan, Finland, Switzerland, Sweden, Egypt and Ceylon have not established export controls specifically designed to deny strategic items to Communist China.

Under present COCOM controls, Western European countries allow the export to the USSR and its European Satellites of any items on IL/II, subject to quotas, and in the case of IL/I items, exceptions are made occasionally for prior commitments and "hardship" after preconsultation with other COCOM countries. There is, of course, nothing to prevent the re-export of these items as well as International List III and Supplementary List items to Communist China by other Soviet Bloc countries.

1/ Embargoed by the US; voluntary reduction in volume by the UK.

C. Comparison of Controls Against Communist China and the Remainder of the Soviet Bloc

A comparison of controls by COCOM countries with respect to Communist China and the remainder of the Soviet Bloc is summarized below in tabular form and shows where the controls differ significantly. The tabulation shows identical treatment (embargo) for the Munitions List, International List I, and Atomic Energy Materials.

The controls differ mainly with regard to International List II and III. Both these lists are subject to embargo for Communist China, but with reference to shipments to the Soviet Bloc countries other than Communist China, II/II is subject to quantitative control only, and II/III to exchange of information only. One of the objectives of current US and UK efforts in CHINCOM is to extend the embargo against Communist China to additional items on the UK Supplementary List.

The fact that COCOM controls against the European Soviet Bloc countries are less stringent than those applied against Communist China makes it possible for certain commodities that are embargoed to Communist China to be shipped legally from COCOM countries to the European Soviet Bloc and from there to Communist China. (See page 2x.)

~~S-E-C-R-E-T~~

Comparison of Controls Against Communist China

And the Remainder of the Soviet Bloc

Commodity Lists	Applied by	Applied Against Communist China	Applied Against Remainder of Soviet Bloc
Atomic Energy Materials	45 UN countries	Embargo	Embargo
International Munitions List	45 UN countries	Embargo	Embargo
International List I	COCOM countries	Embargo	Embargo
International List II	COCOM countries	Embargo	Quantitative control
International List III	COCOM countries	Embargo	Exchange of information
UK China Supplementary List	UK and colonies including Hong Kong	Embargo	Uncontrolled
UK China Supplementary List	Other COCOM countries	Embargo of about two-thirds	Uncontrolled

Notes: 1. The US and Canada have a complete embargo on exports to Communist China. In practice the US has a virtual embargo on exports to the remainder of the Soviet Bloc; Canadian controls are nearly as restrictive.

2. Portuguese colonies, particularly Macao, exercise only a very limited form of control.

3. The Hong Kong Government supplies to the US and UK information on additional items not on any of the above lists which are exported to Communist China and Macao.

4. A liberal exceptions procedure is provided by the COCOM agreement of June 1952 covering embargo of II/III and UK Supplementary List items. It is provided that each COCOM country may export, at its own discretion, such items to Communist China without quantitative restrictions if it is satisfied that such exports are solely for civilian use and will not contribute to the military strength of Communist China. Such shipments must be reported to COCOM within the following month.

~~S-E-C-R-E-T~~

SUMMARY OF CHINA COMMITTEE PROGRESS TO 30 APRIL 1953

I. Items Considered by China Committee as Addition to Embargo List

A. UK Supplementary List Items	China Committee Action
1. Paraffin wax and petroleum jelly	Agreed
2. Petroleum refinery equipment	Agreed
3. Containers suitable for use in storing or transporting petroleum, of capacity of 4 gallons or more	Agreed redefined
4. Internal combustion engines	Unagreed: German, Italian, Danish reservations. Referred to COCOM TWG*
5. Motor vehicles (including tractors and motor cycles); trailers and components and spares, servicing equipment	Agreed redefined
6. Rails, locomotives and railway rolling stock and parts thereof	Agreed redefined
7. Watercraft and important components	Agreed
8. Cranes	Unagreed. French reservation.
9. Excavators including power shovels	Agreed
10. Bulldozers, angledozers, and trail builders	Agreed
11. All classes of iron and steel products (including alloy steels) up to and including finished stage.	Unagreed: French reservation. German redefinitions proposed.
12. Barbed wire	Agreed
13. Steel wire strand, cable and rope	Unagreed: French reservation. Referred to COCOM TWG*
14. Asbestos and asbestos yarn, textiles and clothing	Agreed redefined by French
15. Tires and tubes, other than those for pedal cycles and scooters	Agreed redefined
16. Telescopes and binoculars	Agreed redefined by Japan
17. Communications equipment	Agreed redefined; partial acceptance
18. Electric motors	Unagreed: referred to COCOM TWG

* Technical Working Group

~~S-E-C-R-E-T~~

19.	Power equipment	Unagreed: referred to COCOM TWG
20.	Metalworking machine tools and accessories thereof	Unagreed: referred to COCOM TWG, German redefinition
21.	Precision, scientific, and optical instruments, etc. capable of being used in the development, production and testing of military equipment	Unagreed: French will make counter proposal.
22.	Measuring and testing instruments for use in engineering workshops	Unagreed: German reservation
23.	Portable hand-held power tools (pneumatic electric and petrol) including parts	Agreed
24.	Welding machines and equipment and parts incl. rods and electrodes	Unagreed: referred to COCOM TWG
25.	Mining machinery	Agreed
26.	Flexible metal tubing	Agreed
27.	Electronic instruments	Agreed redefined by French
28.	Surveying instruments	Unagreed: German reservation
29.	Map-making, map reproduction, stereoscopic and photo-interpretation equipment	Agreed redefined by French
30.	Rubber solution	Agreed
31.	Rubber scrap	Agreed
32.	Foundry plant	Agreed
33.	Engineers cutting and forming tools	Unagreed: referred to COCOM TWG, German redefinition
34.	Cresylic acid incl. para cetn and ortho-cresol and xylenol	Agreed
35.	Photo-plan printing machines, non-optical	Agreed
36.	Electrocardiographs (except where clearly required for medical use)	Agreed redefined by French

B. Additional Items

1.	Cement guns	Agreed
2.	Fork-lift and elevating platform trucks.	Agreed
3.	Metal-spraying equipment	Agreed

4.	Gas carburizing furnaces	Agreed
5.	Heat-treating and annealing furnaces	Pending: US definition
6.	Cold chrome plating plants	Pending: UK definition
7.	Other materials handling equipment	Pending: US definition
8.	Copper wire	Pending: US definition
9.	10-ton jacks	Pending: US definition
10.	Road rollers	"
11.	Crushing equipment	"
12.	Radio transmitters	"
13.	Radio receivers	"
II.	Antibiotics and sulpha drugs	US tentative proposal for quantitative control pending. Status Hong Kong and Macao to be clarified.
III.	Exceptions	
1.	Lease	Discussed and temporarily dropped.
2.	Special	
1.	Tinplate	UK reported shipment in accordance exception procedure.
2.	Aluminum foils	German reduction approved.
3.	Turbo-alternators	UK exception discussed. US reservation
4.	Water-tube boilers	German exception under discussion
IV.	Shipping Controls	
	Voyage licensing and bunkering controls	UK proposal under active discussion. Accepted by France, Netherlands, Canada.
V.	IC/DV system	General discussion of extension to Far East and Southeast Asia. Agreed take complete case of system for exports to Hong Kong and Macao. UK submitted list of overseas territories where certificates could be obtained. Other destinations to be considered.

VI. Exchange of Information

A.	General	Principle accepted
1.	Questionnaire on China export controls of individual IC	Replies submitted
2.	Questionnaire on willingness submit monthly trade statistics of exports to China and other areas.	Replies submitted
B.	Special	
1.	Franco-Chinese trade negotiations	Discussed
2.	Japan-China trade negotiations	Report made by Japanese Delegate.
3.	French exports of diesels engines	Discussed, export already made.
4.	Purchase by Ceylon of truck tires	US submitted memo. Delegates reported intended and actual shipments.
5.	Construction of heavy industry in China	Japan submitted memo.
6.	Aluminum landing sheets	Canada reported possible order from China.
7.	Peking Economic Conference	PC's reported Government policy and possible participation their nationals.

III. Trade

A. Trade with Non-Soviet Bloc Countries

1. Imports

a. Recorded Imports. [1] The value of Communist China's recorded imports from non-Communist countries in 1952 was $250 million (See Table I). [2] These imports increased in the last half of 1952 by 19 per cent over the first half of 1952, and by 5 per cent over the last half of 1951, but remained well below the level reached in the first half of 1951 prior to the general imposition of trade controls against Communist China.

The volume of recorded imports from non-Communist countries in 1952 is estimated at 497 thousand tons (See Section IV). In terms of volume, imports in the last half of 1952 increased by 26 per cent over the first half of 1952 and by 50 per cent over the last half of 1951, but were less than half the quantity imported in the first half of 1951.

For the year as a whole China's direct imports from the Western Hemisphere were negligible. Imports from western Europe accounted for approximately one-tenth, Hong Kong for approximately one-third, Pakistan for over one-third and Near eastern and Asian areas other than Hong Kong and Pakistan for about one-fifth of the value of Communist China's total recorded imports.

Imports from western Europe rose in the second half-year to double the value of the first half-year, and increased sixfold in volume. Imports from Hong Kong more than doubled in value, but decreased in volume by about one-quarter. Imports from the Near East and Asia (less Hong Kong) doubled in value and in volume by about one-fifth.

---

[1] This section is based on the recorded export statistics of China's non-Communist trading partners and should be read, as regards the categories of goods involved, in the light of the information in Part II on the different controls exercised by the various importing countries. From many of these countries China received other imports not shown in the official figures. These unrecorded imports will be discussed in the following sections.

[2] This figure is exclusive of Communist China's estimated imports from Macao which have been placed in the unrecorded category. In previous studies in this series Communist China's imports from Macao have been treated in the recorded category.

In the first half of the year, Communist China's imports from Hong Kong fell to an abnormally low level, mainly because of the Chinese Communist anti-corruption drives and the reorganization of China's foreign trading administration. The completion of the year's cotton purchases in the third quarter led to a seasonal fall in imports from Pakistan and Egypt.

Communist China's direct imports from Western Europe, as appearing in the published trade data, consisted largely of chemical fertilizer, industrial chemicals, paper and textile machinery. Hong Kong's recorded exports to Communist China (largely re-exports of Western European and Western Hemisphere products) consisted principally of pharmaceuticals, fertilizer and other chemicals, dyes, paper, textile products, and miscellaneous manufactures such as hand tools, textile machinery and watches (See Table III-A). From the Near Eastern and other Asian areas, Communist China's principal imports consisted of crude rubber (from Ceylon) raw cotton (largely from Pakistan) and jute (from India).

In over-all commodity terms, the most important development in Communist China's import trade with the non-Communist world during the year were the sharp increases in imports of pharmaceuticals (to 10 per cent of the total value of recorded imports), chemical fertilizer (8 per cent of total value), and crude rubber from Ceylon (9 per cent of total value). However, raw cotton from Pakistan and Egypt (43 per cent of total value) continued to be the single most important commodity import.

b. Unrecorded Imports.

(1) Re-exports of Western Imports by Soviet Bloc Countries. The USSR and the Eastern European Satellites act as middlemen in obtaining an undetermined quantity of imports for Communist China from non-Communist countries. This practice reflects the fact that Western trade controls permit the shipment of some goods to European Communist destinations whose export to China is prohibited. Not even a rough estimate of the total value of re-exports can be presented but intelligence reports appear to indicate that the European Satellites were

instructed during the second half of the year to increase their purchases in the West of strategic materials for China.

For all practical purposes this re-export trade cannot be distinguished from the general body of Soviet Bloc exports to China and it is believed that in Chinese Communist trade data these re-exports are treated as imports from the Soviet Bloc. For this reason, as well as for the fact that an estimate cannot be made, no allowance is made for these re-exports in the compilation of Communist China's imports from the West appearing in Table I. With respect to the estimate of the total volume of Communist China's imports, it should be noted that our fairly complete information on Communist China's seaborne imports from Soviet Bloc ports in Europe includes unidentified re-exports of western origin (See Section III-B, below). To what extent such re-exports are included in overland shipments from the Soviet Bloc to China cannot be determined because of the general lack of information regarding the composition of these overland shipments.

(2) Transshipments of Western Commodities through Soviet Bloc Countries. Apart from re-exports there is ample evidence that a considerable volume of goods clearly consigned from Western European countries to China is first carried, mainly in Polish vessels, from Antwerp and other continental ports to Soviet Bloc ports, especially Gdynia, and there transshipped to Soviet Bloc flag or Soviet Bloc chartered ships sailing to Chinese ports. The data on trade with China appearing in other sections of this report make it evident that these goods were not recorded by countries of origin as exports to China during the year ended 31 October 1952. 1/ They may appear in the published

1/ The estimated total volume of recorded exports from Western Europe to China can be accounted for in the cargoes carried directly from ports in non-Communist countries to China. Furthermore, in the case of some commodity categories, notably iron and steel, the quantities consigned by west European countries to China by way of Gdynia far exceed the quantities recorded in the published trade returns as being exported to China. (See below.)

trade returns of Western European countries as exports to the countries of transshipment. On the other hand, it is probable that these commodities are treated in Chinese Communist data as imports from Western Europe, since they are purchased by a Chinese Communist corporation operating in Germany and not, as in the case of re-exports, procured for China by Soviet bloc countries. For this reason a separate allowance must be made for these shipments in the compilation of Communist China's imports from non-Communist countries appearing in Table I.

A basis for estimating the magnitude of this trade is provided by UK information relating to authorizations given in London during the second half of 1952 1/ for transfers of currency in connection with the export of goods from continental European countries to China by way of Gdynia. Most of these goods clearly are covered by the UK Supplementary China List but not by the International Lists in use in other European countries of COCOM. However, there were some commodities, notably phenol, whose export to China is prohibited by all the participating countries of COCOM. It is not certain that all the transactions were carried through to completion, though most of them undoubtedly were. On the other hand, since additional transactions of this kind were underwritten in financial centers other than London, the UK financial information must be viewed as an indication of the level of only one part of this trade.

Subject to the reservations expressed above, the financial records suggest that during the second half of 1952 Western Europe as a whole consigned to China commodities valued at a minimum of $18.2 million, which were transshipped at Gdynia, or a somewhat greater amount than Western Europe's recorded exports to China during the same period, which presumably were shipped directly to China from Western European ports. Of this

1/ However, the half year covered by the record of transactions (July-December) is later than the period (May-October) used elsewhere in this report as the time during which China's imports from Europe for the second half-year are assumed to have left the exporting countries. Moreover, the authorization of the transaction may precede the actual shipment of the goods by a considerable period.

~~S-E-C-R-E-T~~

amount, $13 million consisted of iron and steel (or 25 times the amount of iron and steel recorded in the published trade statistics as being exported to China from Western Europe during the whole of 1952). The balance of this trade in terms of commodity groups was as follows: $1.1 million of non-ferrous metals; $0.5 million of instruments and apparatus; $1.0 million of industrial, electrical, and transportation equipment; and $2.6 million of chemicals and pharmaceuticals.

Since no information is available either on the value of these financial transactions in London during the first half of the year or on similar transactions in continental centers during the entire year, the total value of this trade during 1952 can only be roughly estimated. It is believed, however, that this channel of trade was of far greater importance in the second half of the year than in the first half, and may indeed have become significant only after the trade deals negotiated by the Chinese Communists with representatives of Western commercial interests at the Moscow Economic Conference in April 1952. It is further believed that the transactions recorded in London represent by far the major share of the total. On this basis it has been tentatively agreed to assess this trade at a total value of $25 million for the year as a whole (See Table I).

There is no positive evidence available that these transactions involved any illegal evasion of controls but it is clear that advantage is taken of the differing nature and scope of Western controls. For instance, in the case of iron and steel, where the financial information shows UK firms as the largest sellers to China, it is known that the material was exported not from the UK but from continental European countries (mainly France and Western Germany) where such exports to China are permitted. Shipments in these cases took place from Antwerp or other continental ports, mainly in Soviet flag vessels sailing for Gdynia where the material was transhipped to China-bound vessels.

(3) Macao

There are no published trade data available regarding Macao's exports to China in 1952. However, on the basis of an analysis of the composition of Macao's imports, it is roughly estimated that Macao re-exported to China approximately 40,000 tons of cargo valued at $21 million. (This figure is exclusive of commodities smuggled into Macao from Hong Kong, Japan, and Okinawa and re-exported to China. See section below on statistical gaps and smuggling).

This estimate, necessarily tentative, is based on the following calculations:

1. During 1952 ocean-going vessels delivered an estimated 15,000 tons of cargo to Macao, a large part of which arrived in the British "Clavus" (1 voyage) and in the Portuguese "India" (3 voyages) and "Timor" (1 voyage). As a result of the tightening of Hong Kong controls towards Macao, the Portuguese vessels in particular have carried increasing quantities of strategic cargo from Western Europe to Macao on through bills of lading, whereas formerly their primary function was the transport of troop replacements for the Macao garrison and supplies for the civil and military population. The estimated 15,000 tons of cargo appears to have been composed largely of commodities in strong demand in China including iron and steel, tools, spare parts, and miscellaneous equipment. [redacted] most if not all of this cargo was re-exported to China. The value of these re-exports is roughly estimated at $12 million dollars.

2. Hong Kong's recorded exports to Macao in 1952 amounted to 70,000 tons, of which it is roughly estimated, on the basis of the commodities involved, that 25,000 tons were re-exported from Macao to China. The value of these re-exports is estimated at $9 million dollars.

(4) Statistical Gaps and Smuggling

(a) Smuggling from Hong Kong. [1] [redacted] smuggling reached a peak in the late summer of 1951, and declined towards the end of the year and through 1952. [2] [redacted] The decline in smuggling was probably due, first to the increasing effectiveness of Hong Kong trade controls, [3] which reduced the pool of controlled commodities outside government surveillance and increased the risks of smuggling and second, to the sharp increase in shipments of controlled commodities to Communist China via Odynia, which enabled Communist China to secure these commodities on a commercial basis and without paying high premiums to smugglers in Hong Kong.

The major items in the smuggling traffic as indicated by seizures include tinplate, blackplate, galvanized iron sheets, iron pipes, copper wire and sheet, auto parts, radio equipment, and machine tool and metal working accessories. Petroleum, the major smuggled item in 1951, is no

[redacted]

2/ A particularly sharp but only temporary decline occurred during the first few months of 1952 as a result of the anti-corruption drives in Communist China.

3/ Improvement of the controls included provision of (a) more preventive staff, (b) more Police and Revenue launches and other facilities, (c) import control, (d) extension of essential supplies certificates end-use control to retail sales, (e) increased legal powers for dealing with offenders and heavier penalties.

longer sought in Hong Kong by the Chinese Communists although very small quantities were smuggled during the early part of 1952. A premium is paid for contraband materials in Hong Kong owing to the costs and risks involved in supplying these commodities to the smuggling traffic.

While many of the small items, which can be concealed on the person or in hand baggage, are smuggled by travellers leaving the colony, the larger portion of the traffic is in the hands of well-organized smuggling rings and is carried in small craft. These rings are reported to charge smuggling fees on the value of the cargo ranging from 20 per cent for "light" cargo (auto parts and radio equipment) to 150 per cent for "heavy" cargo (galvanized iron sheets, steel bars, etc.) and rates have tended to increase as the controls became more effective. It is believed that during 1952 the majority of charges were between 60% and 100% of the value of the consignment.

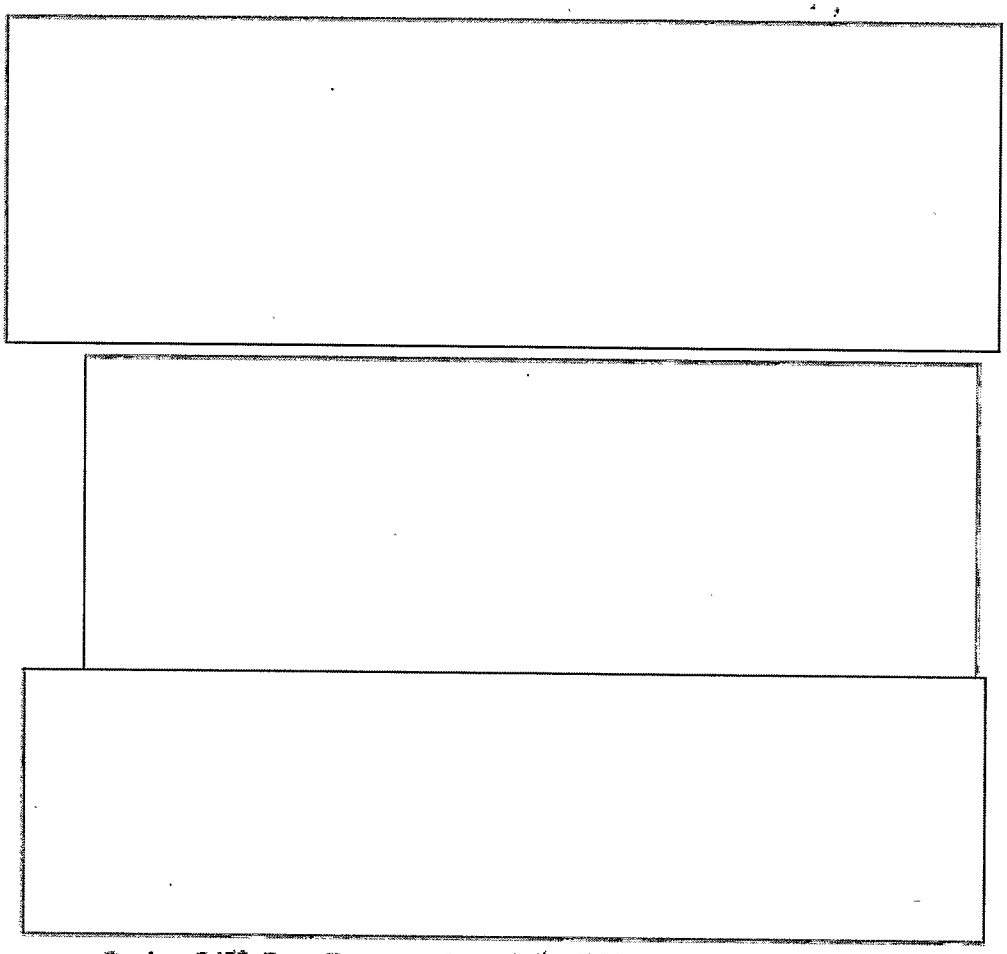
Possible ways of measuring the magnitude of smuggling are few and at best approximate. Several of these ways are examined below.

The unused cargo-carrying capacity of small craft clearing Hong Kong for China and Macao indicates in rough terms the facilities theoretically available for carrying smuggled cargo. [redacted]

[redacted] 1/

[redacted] 2/

2/ An earlier study in this series covering 1951.



During 1952 Hong Kong received 3.5 million tons of goods and exported 1.5 million tons. Since approximately 200,000 tons of the exports were derived from local resources, such as iron ore and scrap iron, retained imports totalled about 2.2 million tons, composed of 1.1 million tons of petroleum, coal, and kerosene, 0.6 million tons of cereals and other foodstuffs, 0.3 million tons of cement, limestone, cement products, and lumber, and 0.2 million tons of other commodities. Only the last category includes commodities which are in demand for smuggling. 1/

1/ Petroleum, as noted before, was not in demand for smuggling during 1952 and is not included in these tonnage estimates of controlled materials.

An examination of the supply of controlled materials 1/ in the Colony in 1952 indicates that there were net 2/ imports of 65,000 tons of ferrous and non-ferrous metals and of other items (principally metal manufactures, machinery, and electrical and transport equipment) roughly estimated at 20,000 tons. Adding another 15,000 tons for the retained output of local scrap and foundry operations, the quantity of controlled commodities available in Hong Kong in 1952, other than existing stocks, was of the order of 100,000 tons. These supplies were directed to approved end-users and the bulk of them are known to have been utilised in Hong Kong. 3/ The quantities which would have been available to the smuggling market would be those released by unscrupulous recipients in amounts small enough to escape detection by the authorities.

In addition to these supplies of controlled materials, there were at the beginning of 1952 stocks of such materials roughly estimated to be about 100,000 tons at the most. Probably over half of these stocks

1/ Petroleum, as noted before was not in demand for smuggling during 1952 and is not included in these tonnage estimates of controlled materials.

2/ "Net" in this context means imports less exports of the same materials and excludes any provision for exports manufactured from imported materials.

3/ For example, the electric power companies alone purchased US $3½ million worth of heavy machinery and equipment in 1952, while exports of enamelware made from imported blackplate totalled US $.7 million. Ship building and repairing, building construction, etc., also consumed substantial quantities of metals and other controlled commodities.

~~SECRET~~

were registered and "frozen" except for release to approved end-users and for re-export to non-Communist destinations. The remainder of these stocks were unregistered and could have been made available for smuggling.[1] Additional supplies for smuggling could also have been secured from smuggled imports, i.e., strategic commodities not manifested or wrongly manifested. The magnitude of such imports cannot be estimated, but judging from seizures, they appear to be small.

The total volume of all strategic materials (excluding petroleum) available in Hong Kong in 1952 was therefore of the order of 200,000 tons. However, after accounting for Hong Kong's own consumption of these materials and year-end stocks, which were still sizeable, only a small proportion of this figure could have been diverted into the smuggling traffic.

The record of official seizures of controlled commodities (excluding gold, liquors, tobaccos, etc.), which were valued at US $200,000 [2] in 1952 throws additional light on the possible magnitude of smuggling. Despite the more intensive countermeasures taken against smuggling in 1952, this amount is less than half the 1951 total and is particularly notable since in 1951 the bulk of the confiscations occurred in the last half of the year. The tonnage of the goods confiscated in 1952 is estimated roughly at 500 tons.

The high smuggling fees charged (usually 60 per cent to 100 per cent of the cargo value) cover not only the risks of loss of cargo but also the risks of heavy fines and loss of the junk, as well as large smuggling profits and the additional costs involved.

1/ Such stocks would, of course, dwindle as they were utilised, whether for local consumption, export to approved destinations, or for smuggling, while part of those stocks have been registered and "frozen" by the authorities on suspicion of the owners' intentions to smuggle.

2/ This figure includes confiscations in respect of ocean-going vessels, river vessels, junks, rail and road.

Any estimate of the fraction of the total smuggling traffic represented by confiscations must be tentative, and largely rests on a knowledge of local conditions and on the interpretation made of the rates of smuggling charges.

[redacted] have agreed to assess the total volume of goods smuggled out of Hong Kong as 10,000 tons, and the value at $8 million. This figure is an arbitrary one, and does not prejudice any re-assessment which might later become possible.

(b) Rice Imports from Thailand. [redacted] Communist China imported approximately 40,000 tons of rice from Thailand during 1952. 1/ These rice shipments do not appear in Thai trade statistics as direct exports to China and an allowance of $6 million has therefore been used to account for these shipments in the estimate of China's unrecorded imports.

(c) All Other. Finally, account must be taken of the effect of deficiencies in the statistics of non-Communist countries trading with China (as pointed out in the footnotes to Table I) and for the fact that unrecorded imports reach China by sea routes from Japan, the Ryukyu Islands, Malaya, the Philippines, Indochina, Formosa, and Indonesia. [redacted]

[redacted]

1/ Imports of significant quantities of rice would seem surprising in view of Communist China's considerably larger volume of rice exports to India and Ceylon in 1952. However, the Chinese Communists probably exported rice in part for propaganda reasons and may have found it necessary to import some rice from Thailand to alleviate local and possibly temporary shortages in South China.

[redacted]

2. Exports

Communist China's exports to non-Communist countries in 1952 are estimated at $270 million (See Tables II-A and II-B). Exports to Europe and the Western Hemisphere are estimated to account for almost one-third of the value of these exports, and the Near East, Asia, and Oceania for the balance.

Exports to Western Europe were largely vegetable oils and oilseeds. Exports to the US, amounting to about one-fourth of China's total exports to Western Europe and the Western Hemisphere, consisted mainly of products such as bristles and feathers which were specially licensed for strategic purposes prior to May 1952.

Exports to India and Ceylon consisted mainly of rice and other grains under intergovernmental trade agreements, while those to Malaya consisted of a variety of products for the resident Chinese population.

Hong Kong's retained imports from China consisted mainly of substantial quantities of live pigs, vegetables and other foodstuffs but virtually no rice, the export of which from China was not permitted except for policy reasons or in exchange for commodities generally unobtainable. Macao, on the other hand, imported most of its rice from Communist China, its other retained imports from Communist China being broadly similar to those of Hong Kong.

In 1952 Communist China's trade with non-Communist countries is estimated at $590 million, mainly on the basis of the trade returns of non-Communist countries. Using the Chinese Communist announced percentages, Communist China's total trade in 1952 would amount to approximately $2.1 billion, of which trade with the Soviet Bloc would be $1.5 billion ($1.1 billion with the USSR and $0.4 billion with the European Satellites).

While a breakdown of trade with the Soviet Bloc as between exports and imports cannot be computed from available data, there is some evidence to suggest that Communist China's import balance, both in total and with the Soviet Bloc, was very much lower in 1952 than it was in 1951. For one thing, Communist China's capacity to finance an import balance was greatly reduced in 1952 as compared with 1951. In 1951 the Chinese Communists were able to draw on several sources of revenue which were not available to the same extent in 1952: a credit from their 1950 trade with the Soviet Bloc (in that year it is estimated that Communist China had an export balance of $70 million in its trade with the Soviet Bloc); additional temporary credits resulting from Communist China's delay in meeting its export commitments in its barter trade with the Soviet Bloc in 1951; and the use of foreign exchange reserves accumulated during 1949 and 1950 and augmented in 1951 through the purchase and seizure of private holdings of gold and foreign exchange. By the end of 1951 there was evidence that Communist China's foreign exchange resources were severely strained. This apparent reduction in Communist China's capacity to finance an import balance in 1952 coincided with Communist China's strenuous efforts in 1952 to increase its exports to the Soviet Bloc.

It is probable therefore that Communist China's import balance in 1952 fell drastically from the $800 million estimated for 1951. It seems reasonable, although somewhat arbitrary, to estimate the import balance in 1952 at roughly $150 million, or an amount that Communist China could have financed through its recurring sources of revenue — the $60 million installment of the Soviet credit plus earnings from remittances. With

Communist China and hence in the treatment of such deliveries in the import statistics. If a large portion of materiel shipments is on a grant basis and does not enter the trade statistics, or if such shipments are arbitrarily valued at less than cost, the recorded value of total imports could have been materially reduced between 1951 and 1952 through Sino-Soviet negotiations without necessarily altering the volume of shipments from the Soviet Bloc. In particular, it is possible that, after Communist China used most of its foreign exchange resources in 1951, the Soviet Union in 1952 assumed a much greater share of the costs of materiel shipments in support of the Korean war, thereby permitting Communist China to maintain if not expand its non-military imports from the Soviet Bloc, without receiving additional Soviet credits.

Since this seems to be the case, the value of Chinese Communist imports from the Soviet Bloc computed from the published trade data does not accurately reflect the total movement of goods from the Soviet Bloc to Communist China, but indicates only the value of imports for which payment is required.

~~SECRET~~

2. Seaborne Trade

a. Imports. A total of 515,000 tons of cargo is estimated to have reached China in 1952 from Soviet Bloc ports in Europe and in the Far East. Of this total 395,000 tons arrived from Communist ports in Eastern Europe, chiefly Gdynia and Constanza, and approximately 120,000 tons from the Soviet Far East, chiefly from Vladivostok (See Section IV B).

The cargoes shipped to China from the Soviet Far East, on the basis of Naval intelligence, consisted roughly of 40,000 tons of petroleum and 80,000 tons of other commodities, largely paper. A substantial number of Soviet vessels arrived in Dairen in ballast during 1952, either for repairs or to pick up export cargoes for Europe.

[redacted] the composition of the cargo carried to China from Communist ports in Eastern Europe is estimated as follows: 1/

	(In thousand long tons) Jan-June	July-Dec	Total
Iron and Steel	45	74	119
Machinery	43	21	64
Transport Equipment	12	6	17
Petroleum	12	13	25
Chemicals & Pharmaceuticals (except fertilizer)	10	13	23
Instruments & Apparatus	2	1	3
Non-ferrous Metals	2	6	8
Miscellaneous (sugar, fertilizer, paper, textiles, etc.)	79	56	136
	205	190	395

1/ The total weight is known for all but a very few cargoes, and the few that are not known have been estimated. The composition is known for 25 out of 31 cargoes in the first half, and for 22 out of 32 cargoes in the second half of 1952. For each half-year, an average composition based on known mixed cargoes was assumed for those cargoes whose total tonnage only was known. The nature and tonnage of all bulk cargoes

The first three categories include such important items as railway materials, machine tools, motor vehicles and tires, and power generating equipment. The instruments and apparatus include industrial and other electrical and electronic equipment also of strategic interest. A large proportion of the iron and steel and an undetermined portion of the other commodities were goods of Western European origin, either transshipped or re-exported from Communist ports (See Section III A 1 b, pages 28 to 31).

b. Exports

[redacted] it is roughly estimated that the volume of China's seaborne exports to Eastern Europe in 1952 amounted to approximately 400,000 tons. In general it is believed that such exports consisted chiefly of bulk commodities with a relatively low value per ton. Minerals are estimated to have accounted for three-fourths of the total volume and agricultural products, chiefly grains and vegetable oils and seeds, for the remainder.

The volume of China's seaborne exports to the Soviet Far East is roughly placed at 100,000 tons on the basis of Naval intelligence. The nature of cargo is not known except for deck cargoes of lighters and launches. A number of vessels departed China for the Soviet Far East either in ballast or with through cargoes from Europe.

3. Overland Trade

The volume of China's overland imports from the USSR during 1952 is tentatively estimated at between 3,300,000 tons and 4,350,000 tons. China's overland exports to the USSR are believed to have been higher in volume than were imports.

Virtually all Communist China's imports of military items including those for use in Korea must have come overland via the Trans-Siberian Railroad [redacted] Beyond this deduction there is little specific information available concerning the composition of Communist China's overland imports from the Soviet Bloc. Similarly, there is little information available concerning the composition of Communist China's overland exports to the USSR, except for coal, soya beans, and minerals.

IV. Volume of Imports

A. From Non-Bloc Countries

1. Volume of Recorded Imports

a. From Hong Kong.

Shipments (including transhipped cargo) from Hong Kong to Communist China in ocean-going vessels including those under 1,000 GRT amounted to 127,000 tons -- 69,000 tons in the first half of 1952 and 58,000 tons in the second half.

Shipments from Hong Kong to Communist China in junks amounted to 63,000 tons -- 44,000 tons in the first half year and 19,000 tons in the second half year.

Shipments from Hong Kong to Communist China by rail and road amounted to 24,000 tons -- 9,000 tons in the first half year and 14,000 tons in the second half year.

The total recorded shipments during 1952 by all means of transport was 214,000 tons of which 122,000 tons went in the first half year and 92,000 tons in the second half year.

b. From Western Europe.

Cargoes identified in ships sailing from Western European ports to Communist China in 1952 amounted to about 135,000 tons (US intelligence believes this figure might be somewhat higher).[1] Practically all of these shipments were in the second half year. Additional Western European commodities were shipped to China via Soviet Bloc ports in Eastern Europe, either as re-exports or transhipments. These indirect shipments from Western Europe cannot be distinguished from other cargoes moving directly to China from Soviet Bloc ports in Eastern Europe. (See Section IV B 1 below.)

1/ [redacted]

c. From the Near East, East Asia and Oceania

Cargoes identified in ships sailing from non-Communist ports in this area in 1952 amounted to 130,000 tons. This figure includes 24,000 tons of rubber from Ceylon and 2,000 tons of cotton from Pakistan carried in Soviet Bloc vessels. Fifty-eight thousand tons were shipped in the second half year.

Trade statistics indicate that 18,000 tons of raw cotton in addition to the raw cotton identified in ships' cargoes was exported from Pakistan to China during the year.

2. Volume of Unrecorded Imports

In addition to the volume of recorded exports to Communist China, allowance must be made for the various unrecorded items discussed below.

From Hong Kong

An allowance of 10,000 tons as determined in Chapter III A 1 b (4) (page 33) is made for smuggling from Hong Kong.

In addition, [redacted] believes that serious consideration must be given to the possibility that as much as 70,000 tons of unrecorded cargo were carried from Hong Kong to Communist China by ocean-going vessels during the second half of 1952 [redacted]

1/ [redacted]

[redacted]

From Macao

An allowance of 40,000 tons as determined in Chapter III A 1 b (3) (page 32) is made for unrecorded exports from Macao.

From Thailand

An allowance of 40,000 tons as determined in Chapter III A 1 b (4) (page 33) is made for unrecorded rice exports from Thailand.

All Other

An allowance of 20,000 tons as discussed in Chapter III A 1 b (4) (page 33) is made for gaps in statistics and unrecorded imports from all other areas.

[redacted]

B. From Bloc Countries

1. Seaborne

The total of seaborne imports into Communist China from Bloc countries in 1952 is estimated at 515,000 tons. This total is made up as follows:

From Bloc Ports in Europe	
In Bloc Ships	295,000
In Non-Bloc Ships	100,000
From Soviet Far East Ports	
In Bloc Ships	100,000
In Non-Bloc Ships	20,000
	515,000

A considerable amount of information is available on the quantity and nature of cargoes carried in Bloc and non-Bloc ships sailing from Europe. [redacted] it is apparent that as a general practice the more highly strategic cargoes are carried in Bloc vessels. [redacted]

It should be noted that the 26,000 tons of rubber from Ceylon and [illegible] cotton from Pakistan carried to Communist China in Soviet Bloc ships has been taken into account in Section IV A.

2. Overland Imports

The volume of China's overland imports from the USSR during 1952 including military supplies for use in Korea, is tentatively estimated at between 3,300,000 tons and 4,350,000 tons. (See Section IV E.)

~~S-E-C-R-E-T~~

C. Capacity of Shipping Arriving in Communist China

1. Introduction

During 1952, 532 ocean-going ships (103 of Soviet Bloc and 429 of non-Soviet Bloc registry) arrived in Communist China from outside ports. The cargo-carrying capacity of these vessels has been calculated as 3½ million tons. (See Table V). 1/

A table showing the number of arrivals, cargo carrying capacity and the percentage of arrivals which were of non-Bloc registry, is set out below:

Period	No. of Arrivals	Cargo Carrying Capacity in Thousands of Tons	% of Arrivals of Non-Bloc Flag
Jan - June 1951	316	2,083	91
July - Dec 1951	188	1,218	83
Total	504	3,241	88
Jan - June 1952	244	1,626	78
July - Dec 1952	288	1,901	83
Total	532	3,527	80

2. Non-Bloc Arrivals

The cargo-carrying capacity of the non-Bloc ocean-going shipping arriving in China in 1952 has been calculated as 2,692,000 tons (Tab A-2) 1/ Sixty-five per cent of the 429 non-Bloc ships arriving were of British flag. Norwegian, Danish and Greek registered ships were the principal other flags involved (Tab A-3).

With the exception of 18 vessels with a carrying capacity of 181,000 tons all of these vessels arrived from non-Bloc ports (Tab A-4).

It is known that, in addition to the arrivals of vessels above 1,000 GRT, a number of small craft, including river steamers, junks and launches arrived in Macao and Communist China from Hong Kong. The cargo-carrying capacity of these smaller craft is believed to be about 1½ million tons (Tab A-6).

1/ When comparing cargo-carrying capacities in this report with previous reports of this series, it should be noted that a factor of GRT x 1.5 has been used to convert GRT into cargo-carrying capacity was calculated by multiplying GRT by 1.5. The new factor of GRT x 1.5

In addition to small vessels arriving in Communist China from Hong Kong a number of small craft are also believed to have made voyages from Japan and Okinawa. The total carrying capacity of these craft is unknown but is believed to be small in relation to Hong Kong.

In addition to ships carrying goods directly to Communist China, non-Bloc vessels are known to have carried cargo to ports other than Communist China for eventual transshipment to that country. No estimate of the capacity of the shipping engaged in this traffic has been made but any known transshipped cargo is taken into account in assessing the total amount of China's imports.

3. Soviet Bloc Arrivals

The cargo-carrying capacity of the Soviet bloc shipping arriving in Communist China in 1952 has been calculated as 835,000 tons. Of the ships arriving 68 were of Soviet flag, 34 of Polish flag and one of Czechoslovakian flag. Apart from 2 voyages originating in Ceylon all Soviet bloc vessels sailed initially from Bloc ports (Tab A-8).

D. Comparison of Shipping Capacity and the Volume of Seaborne Cargoes

The volume of Communist China's seaborne imports (exclusive of unrecorded items) arrived at in sections IV- A and IV B is compared with the calculated cargo carrying capacity of ships arriving in Communist China given in Tabs A-4, A-6 and A-8.

	Cargo Carried In Tons	Cargo Capacity	% of Capacity Employed
From Non-Bloc Ports			
In Ocean-Going Vessels (Including Vessels Under 1,000 GRT)			
From Hong Kong	127,000	1,031,000	12 %
From Other Ports	283,000	1,562,000	18 %
In Minor Shipping			
From Hong Kong	63,000	737,000	9 %
From Bloc Ports			
Soviet Far East	120,000	411,000	29 %
Europe	395,000	584,000	68 %

E. Comparison of Rail Capability and Overland Imports from the USSR

1. Capability[1] of the Trans-Siberian Railroad and Connecting Transportation Routes into Manchuria and Korea

The Trans-Siberian railroad is estimated to have a capability of handling 36 trains each way per day (EWPD) in through traffic between Omsk and Vladivostok. Of this number, it is estimated that two trains are required for minimum essential peace time miscellaneous personnel movement (including both civil and military personnel), and one train for repair and maintenance service, and disruptions caused by snow, ice, floods, and accidents. The remaining 33 trains EWPD could be used for freight, each train carrying a net load of 1,000 tons, giving a capability for freight haulage of about 33,000 tons EWPD. Of the 33 trains, it is estimated that 1 train would be needed for carrying new rail, rail accessories, ties, ballast, and spare parts; 2, for railway fuel; 10, for minimum civilian peace time needs of freight in the Soviet Far East; and 4, for military traffic to the Soviet Far East. This leaves a balance of 16 trains EWPD, or 16,000 tons EWPD (5.8 million tons each way per year), for other needs, such as the supply of China and Korea.

The Tarskiy - Man-chou-li and Voroshilov - Sui-fen-ho branches of the Trans-Siberian railroad, which run to the Manchurian border, each have a capability equal to or greater than that of the Man-chou-li - Harbin - Sui-fen-ho line in Manchuria and therefore do not limit through traffic between the USSR and Manchuria.

[1] The term capability as applied to railroads as used in this paper is defined as the maximum amount of traffic which can be moved over a railroad line for a sustained period with currently existing track facilities, operating methods, cars and locomotives. If demands for traffic movement increase beyond existing capability, increases in capability are possible through such measures as increasing the net load per car; increasing the net load per train through electrification, dieselization, or double heading of trains previously pulled by one locomotive; improvements in signalling and communications; or installation of double track on previously single-tracked lines.

The Man-chou-li - Harbin and Sui-fen-ho - Harbin lines each have an estimated capability of 10 freight trains EWPD, each with an estimated net load of 650 tons. This would permit 6,500 tons to move to Harbin from the USSR on each line, or a total of 13,000 tons daily (4.8 million tons per year). Because it is believed that this does not represent the maximum capability of these lines, necessary additional trains for personnel movements and railroad needs (maintenance, fuel, and spare parts) could probably be handled in addition to these 10 freight trains. Transportation facilities from these connecting lines to the Korean border are adequate to carry the 13,000 tons daily noted above.

The Baranovskiy-Kraskino-Hongui line in North Korea has an estimated capability of 10 trains EWPD. One of these trains is required for passenger movements and railroad requirements, leaving nine trains EWPD for military and economic purposes, or a total of 4,500 tons EWPD (1.6 million tons per year).

A summary of the capability of the Trans-Siberian railroad and the connecting lines in Manchuria and Korea is contained in Table XI.

Roads

Roads connecting the USSR with North Korea, Manchuria, and China proper which are considered capable of handling through traffic are the following: Voroshilov-Kraskino-Hongui, Kraskino-Tumen, Iman-Mutanchiang, Birobidzhan-Chiamussu, Blagoveshchensk-Harbin, Ulan Ude-Ulan Bator-Peiping, Ayagus and Sary Usek via Urumchi to Lanchow. There is a motor road from Harbin to Manchouli but there is no known connecting motor road on the Soviet side of the border. There is a road from Voroshilov to Mutanchiang. The road from the Alma Ata area through Urumchi to Lanchow has a capability of about 400 tons EWPD; Ulan Ude-Ulan Bator-Peiping, 100 tons; Blagoveshchensk-Harbin, 400 tons; Birobidzhan-Chiamussu-Harbin, 200; Iman-Mutanchiang, 100; Voroshilov-Mutanchiang, 400; Voroshilov-Kraskino-Hongui (North Korea), 300; Kraskino-Tumen, 300. These routes

thus have a combined estimated capability of about 2,200 tons EWPD. However, these estimates should be reduced by as much as one quarter (to 1,650 tons) to allow for the consumption of POL and supplies required for the operation and maintenance of the routes, and are made with the assumption that there would be sufficient vehicles available. In some cases, as in the long haul from the Alma Ata area to Lanchow, the large-scale shipments would be extremely uneconomic due to the heavy consumption of motor fuel and supplies for through truck movements and the thousands of trucks required to sustain the through capability. Economic factors might, however, be subordinated to political and military considerations.

Inland Waterways

The Sungari is the principal tributary of the Amur and the most important waterway in Manchuria. It serves the highly cultivated North Manchurian Plain and carries by far the larger part of Manchuria's water-borne commerce. Navigation is possible for 155 to 200 days of the year, depending upon climatic conditions.

There are nine ports along the river, of which Harbin and Chiamussu-Lienchiangkou are the most important. Both are major water-rail trans-shipment points and distribution centers for North-Central Manchuria.

The capacity of the Sungari river fleet is open to considerable question. It is estimated that, using available tonnage and facilities, the river fleet has a capacity of 2,200 tons daily each way during the shipping season (approximately 340,000 - 440,000 tons each way annually). This estimate is considerably below prewar actual traffic levels, but the great loss of craft during the war and by Soviet reparations probably account for a large part of the decline in the transport potential of the Sungari fleet. There is some evidence, however, that in the past two years the Chinese have been making efforts to increase the size and improve the operating efficiency of the fleet.

2. Comparison of Overland Trade and Inland Transportation Capacity

Inland transportation facilities between the USSR and Communist China are estimated above to have the following capability.

	Tons Each Way Per Day
Rail	17,500
Road	1,650
Sungari Fleet	1,200 1/
	20,350 (7,400,000 tons per year)

1/ Annual average.

Total through movement from the USSR to destinations in Manchuria and North Korea by river is still comparatively small but believed to be increasing; that by road is believed to be negligible. Estimates of the movement of goods to Communist China by rail, based on limited evidence, suggest that shipments are between 9,000 and 12,000 tons per day (3,285,000 to 4,680,000 tons per year).

This trade is less than the estimated daily capability of the rail lines:

	Capability	Soviet Shipments to China	Unused Capability
Tons per day	17,500	9-12,000	5,500-8,500
Tons per year	6,400,000	3,300,000-4,400,000	2,000,000-3,100,000

If the unused capability of roads and inland waterways is added to the unused rail capability it would leave the following daily total overland transport capability available for use:

	Unused Capability for Shipments to China
Rail	5,500-8,500
Road	1,650
River	1,200
Total	8,350-11,350 tons per day

(3,000,000 - 4,000,000 tons per year)

V. Assistance to the Soviet Bloc by Non-Bloc Shipping Services 1/

A. Involvement of Non-Bloc Vessels

Assistance to Soviet Bloc shipping by non-Bloc countries is revealed in part by an analysis of non-Bloc shipping directly occupied in Communist Chinese seaborne trade. This is measured by 2/ totalling the number of non-Bloc ships involved in this trade; i.e., those vessels en route to or from, or in Chinese Communist ports in a given month. The data in Table VIII show a steady increase in non-Bloc involvement during the last half of 1952. Totals for both November (475,000 GRT) and December (499,000 GRT) were higher than in any previous month during the entire year. Furthermore, the December involvement figure was 38 per cent higher than the same figure for July 1952, and 140 per cent higher than in January 1952. For the last half year non-Bloc shipping accounted for an average of 76 per cent of all shipping involved in this trade as compared with an average of 63 per cent for the first six months. Non-Bloc shipping involved in all of 1951 was 86 per cent of the total and in the second half of 1951 was 81 per cent. In addition to the importance of non-Bloc shipping to Communist China's imports, this shipping is also of importance to China's exports.

Over 60 per cent of the non-Bloc tonnage involved in the last half year was of British registry (Appendix - Tab C). This reflects the upward trend of British participation during the last six months both in absolute and in percentage terms. Greek, Norwegian, Panamanian, 3/ and Pakistani

1/

2/

3/ As of 17 August 1952, most of the Panamanian vessels had their registries cancelled.

vessels also accounted for a significant percentage of total involvement throughout the year although only two Pakistani vessels were involved in the last quarter.

As far as can be determined, all Panamanian vessels were engaged in the coastal trade and only one vessel of this flag was involved in the last quarter (Tab C-4).

B. Scheduled Voyages of Non-Bloc Ships

An important new aspect of this involvement in 1952 was the volume of shipping participating on a scheduled-voyage basis. In 1952, twenty-nine individual vessels totalling about 230,000 GRT (345,000 cargo dead-weight tons) were committed to advertised, scheduled voyages. Companies engaged in scheduled liner service also chartered 9 vessels with 90,000 tons capacity for special voyages to Communist China. Approximately 73 per cent of all of the aforementioned vessels were of British flag (Table VII). These ships, offering regularly scheduled voyages to several points in the Far East, offered to Communist China a share of the total cargo space.1/

C. Charter of Non-Bloc Vessels

There is also indirect support for shipping to Communist China through the charter of vessels of non-Bloc flag. In 1952, 241 non-Bloc ships totalling almost 1,200,000 GRT, operated under charter to the Bloc. Flags most involved in this activity were those of Great Britain, Greece, Italy, and Norway. In the second half year the percentage participation of the United Kingdom and Italy declined slightly while that of Greece was increased (Table VI).

D. Non-Bloc Deliveries of Ships to the Bloc

Although non-Bloc construction and delivery of ships to the USSR does not relate directly to the question of shipping for Communist China, it does have a significant indirect bearing in that it increases the availability of ships to the entire Bloc. During 1952, 14 new ships,

1/

totalling about 35,000 gross registered tons, were delivered to the USSR from Western European shipyards. Eight of these vessels were delivered in the first six months of the year (Table IX, Part II).

Three of these 14 vessels were tankers as defined under International List I and one ship of 3,500 GRT was within the provisions of International List II.[1/] While the balance of these vessels were not covered within the provisions of the International Lists they are nevertheless of considerable importance to Bloc seaborne trade.

E. Non-Bloc Repairs to Bloc Vessels

Indirect support to Bloc shipping also results from repair of Bloc vessels. During 1952, a total of 49 Bloc ships of 246,000 gross tons were repaired in Western shipyards. Thirty-four of these vessels returned to service in the first six months of the year (Table IX, Part III). It should be emphasized that repairs to Soviet Bloc vessels in Western shipyards are almost invariably major repairs or overhauls which take a long time and which would divert materials, facilities and personnel from naval construction if undertaken in the USSR.

F. Volume and Composition of the Soviet Bloc Merchant Fleet

Non-Bloc assistance to Bloc shipping should be considered in relation to the volume and composition of the Bloc merchant fleet, summarized in Table X. The Soviet Bloc fleet consists of only 775 merchant vessels (over 1,000 GRT), totalling about 2,555,000 gross tons. Included in this total are 83 US-owned Lend-Lease vessels totalling 518,000 gross tons to which the USSR has no legal title or right whatsoever, but which they steadfastly refuse to return. In view of the high degree of obsolescence of the Soviet Bloc merchant fleet and the fact that about 20 per cent is undergoing or awaiting repairs these Lend-Lease vessels may be regarded of major importance.

1/ Warships, tankers, floating docks and icebreakers (over 2,000 horsepower) are on I/L I. Merchant vessels (except tankers) over 7,000 gross tons with speed in excess of 12 knots, and dredges and icebreakers under 2,000 horsepower are on I/L II. These controls are applicable to the Soviet Bloc excluding China. There is an embargo on delivery of all ships and boats to Communist China.

The availability of non-Bloc vessels and shipping services is significant since Soviet shipyards are used almost exclusively for the construction of naval vessels. [redacted] except for the construction of river craft and vessels of less than 1,000 gross tons all of the shipbuilding capacity in the USSR has been and is devoted exclusively to the construction of combatant naval ships. [redacted]

[redacted]

[redacted]

~~S-E-C-R-E-T~~

TABLE I-A

ESTIMATED VALUE OF CHINESE COMMUNIST IMPORTS FROM NON-COMMUNIST COUNTRIES
1952
(in Thousands of US $)

Recorded Imports	Jan-Jun	Jul-Dec	Total
Europe and Western Hemisphere (1)			
Brazil (3)	0	0	0
Canada (2)	Ins.	Ins.	Ins.
USA	0	0	0
Belgium-Luxembourg	544	325	868
Denmark (2)	42	121	163
Finland	216	2,716	2,932
France (2)	306	1,434	1,740
Western Germany	445	1,423	1,868
Italy (2)	828	1,595	2,423
Netherlands	33	18	51
Norway (2)	98	149	247
Sweden	608	116	724
Switzerland (4)	1,535	1,108	2,693
UK	1,193	5,670	6,863
Adjustment for c.i.f. (10 per cent)	590	1,468	2,057
Subtotal	6,488	16,143	22,629
Near East, Asia and Oceania (1)			
Australia	262	385	647
Ceylon	8,334	13,383	21,717
Egypt	2,457	6,460	8,917
Hong Kong	25,281	56,566	81,847
India	8,041	1,321	9,362
Japan	380	218	598
Malaya	0	11	11
Pakistan (2)	57,709	36,202	93,911
Philippines	0	0	0
Adjustment for c.i.f. (5 per cent)	5,123	5,727	10,850
Subtotal	107,587	120,273	227,860
Total Recorded Imports (As derived from published statistics of non-Communist countries)	114,075	136,416	250,489

Unrecorded Imports

Re-exports of Western Europe by Soviet Bloc Countries	no estimate (5)
Transshipments of Western Commodities Through Soviet Bloc Countries	25,000 (6)
Macao	21,000 (7)
Statistical Gaps and Smuggling:	
Smuggling from Hong Kong	8,000 (8)
Thailand	6,000 (9)
All Other	10,000 (9)
Total Unrecorded Imports	70,000
Total Imports, Recorded and Unrecorded	320,489

~~S-E-C-R-E-T~~

TABLE II-A

ESTIMATED VALUE OF CHINESE COMMUNIST EXPORTS TO NON-COMMUNIST COUNTRIES (1)
1952
(in Thousands of US $)

Countries	Jan-Jun	Jul-Dec	Total
Europe and Western Hemisphere			
Brazil	0	0	0
Canada (2) (5)	1,041	169 (6)	1,210
USA (2)	15,132	4,200	19,332
Belgium-Luxembourg	2,382	3,123	5,505
Denmark (5)	5	427	432
Finland	137	142	279
France (5)	2,490	3,333	5,823
Western Germany	6,718	13,291	20,009
Italy (5)	686	2,580	3,266
Netherlands	1,869	3,944 (6)	5,813
Norway (5)	1,176	2,755 (6)	3,931
Sweden	298	239 (6)	537
Switzerland	3,073	7,302	10,375
UK	4,838	5,879	10,717
Less c.i.f. charges, excluding Canada and US (3)	- 2,367	- 4,302	- 6,669
Subtotal	37,478	43,082	80,560
Near East, Asia and Oceania			
Australia	1,756	1,248	3,004
Ceylon	381	10,431	10,812
Egypt	336	281	617
Hong Kong (7)	18,000	47,000	65,000
India	13,508	8,849 (6)	22,357
Japan	5,570	9,283	14,853
Macau (8)	6,600	6,600	13,200
Malaya	19,152	22,498 (6)	41,650
Pakistan	1,023	900 (6)	1,923
Philippines (2)	1,419	1,728	3,147
French Morocco	2,376	1,857	4,233
Indonesia	950	870	1,820
Indochina	3,316	3,316 (9)	6,632
Taiwan	4,475	5,244 (6)	9,719
Less c.i.f. charges, excluding the Philippines and Macau (4)	- 3,542	- 5,589	- 9,131
Subtotal	75,320	114,516	189,836
Grand Total	112,798	157,598	270,396

NOTES: See next page for explanatory notes.

NOTES:

(1) Figures for countries of Western Europe and Western Hemisphere are based on the assumption of a two-months' voyage. They [redacted] Figures for remaining countries are based on a one-month's voyage, for February through January.

(2) Data for Canada, the US and the Philippines are given originally in FOB terms. Data for all other countries are given in CIF terms.

(3) Shipping costs for these countries assumed to be ten per cent.

(4) Shipping costs for these countries assumed to be five per cent.

(5) Including exports of Taiwan, which, according to Taiwan statistics, are insignificant for the period.

(6) Fourth quarter projected from two months' data.

(7) A deduction has been made from Hong Kong's recorded imports from Communist China in order to eliminate some duplication resulting from the fact that many countries (all listed countries except the UK, Belgium, Canada, Egypt, France, and the Philippines) record imports from Hong Kong of Chinese origin as imports from China. In these cases, goods exported by Communist China are recorded as imports both by Hong Kong and by the country of final destination. During 1952 the amount of this deduction is estimated as follows:

		Jan-Jun	Jul-Dec	Total
Hong Kong's total imports from Communist China		52.5	77.1	129.6
Less: Estimated re-exports recorded in import data of other countries as imports from China				
	Malaya	12.4	13.8	26.2
	US	12.0	6.0	8.4
	Taiwan	4.0	4.4	18.0
	Japan	2.6	2.4	5.0
	Other	3.5	3.5	7.0
		34.5	30.1	64.6
Hong Kong's retained imports from Communist China and re-exports not recorded in import data of other countries as imports from Communist China		18	47	65

(8) Represents Macau's recorded imports from Communist China in 1951 less deduction for estimated decline in 1952 in Hong Kong's recorded imports from Macau (which are assumed to be re-exports of Chinese products).

(9) Second half projected from first half data.

TABLE II-2

ESTIMATED VOLUME OF CHINESE COMMUNIST EXPORTS TO NON-COMMUNIST COUNTRIES
1952
(in Long Tons)

Countries	Jan-Jun	Jul-Dec	Total
Europe and Western Hemisphere			
Brazil	0	0	0
Canada (1)	4,046	656	4,702
USA (2)	3,363	933	4,296
Belgium-Luxembourg (3)	11,265	12,309	23,574
Denmark (1)	20	1,708	1,728
Finland (1)	548	568	1,116
France (4)	2,255	2,348	4,603
Western Germany (5)	19,301	41,325	60,626
Italy (6)	2,622	6,442	9,064
Netherlands (7)	11,884	17,898	29,782
Norway (1)	4,704	11,020	15,724
Sweden (1)	1,192	1,876	3,068
Switzerland (1)	12,292	29,208	41,500
UK (8)	24,165	21,326	45,491
Subtotal	97,657	147,617	245,274
Near East, Asia and Oceania			
Australia (1)	7,024	4,992	12,016
Ceylon (9)	1,934	65,081	67,015
Egypt (1)	1,344	1,124	2,468
Hong Kong (10)	193,000	280,000	473,000
India (11)	103,308	33,350	136,658
Japan (12)	60,874	70,215	131,089
Macau (13)	48,000	48,000	96,000
Malaya (1)	76,668	89,992	166,600
Pakistan (1)	4,092	3,600	7,692
Philippines (1)	5,676	6,912	12,588
French Morocco (14)	1,828	1,428	3,256
Indonesia (1)	3,800	3,480	7,280
Indochina (1)	13,264	13,264	26,528
Taiwan (1)	17,900	20,976	38,876
Subtotal	538,652	642,414	1,181,066
Grand Total	636,309	790,031	1,426,340

NOTES: See next page for explanatory notes.

NOTES:

(1) Calculated at the estimated average value of US $250 per long ton, based on commodity composition of the trade.

(2) General imports of the US from Communist China calculated at the estimated average rate of $4500 per long ton. This figure represents the estimated average rate for imports for consumption for the first nine months arrived at as follows: recorded tonnages available for 77 per cent of the value and remainder calculated at the estimated average value of $2,000 per long ton, based on the commodity composition of the trade.

(3) Recorded tonnages available for 99 per cent of value of imports for first half and 57 per cent of third quarter. Remainder calculated at the estimated average value of $US 250 per long ton.

(4) First nine months based on official trade statistics. Fourth quarter calculated at $1250 per long ton, which was average tonnage rate for first nine months.

(5) First nine months based on official trade statistics. Fourth quarter calculated at $330 per long ton, which was average ton rate for first nine months.

(6) Recorded tonnages available for 62 per cent of value of imports for first half and 50 per cent for third quarter. Remainder for first nine months calculated at the estimated average value of $250 per long ton. Fourth quarter calculated at $360 per long ton, which was average tonnage rate for first nine months.

(7) First nine months based on official trade statistics. Fourth quarter calculated at $200 per long ton, which was average ton rate for first nine months.

(8) Recorded tonnages available for 9. per cent of value of imports for first half and 50 per cent for third quarter. Remainder calculated at the estimated average value of US $250 per long ton.

(9) Recorded tonnages available for 95 per cent of value of imports for first half and 96 per cent for third quarter. Remainder for first nine months calculated at the estimated average value of $250 per long ton. Fourth quarter calculated at $160 per long ton, which was average tonnage rate for first nine months.

(10) A deduction has been made from Hong Kong's recorded imports from Communist China in order to eliminate certain duplications (see footnote (d) to Table I-B). It is assumed that goods imported from Communist China for local consumption are of lower value per ton than those goods re-exported from the Colony. Goods retained in Hong Kong are estimated at two-thirds, by volume, of total imports from the mainland.

	Jan-Jun	Jul-Dec	Total
Total imports	289,500	420,000	709,500
Estimated re-exports (1/3)	96,500	140,000	236,500
Consumed in Hong Kong	193,000	280,000	473,000

NOTES: (Continued)

(11) First nine months based on US Navy shipping reports. Fourth quarter imports of $36,000 calculated at estimated average rate of $250 per long ton.

(12) Recorded tonnage available for last nine months. Tonnage for first quarter computed at average value of tonnage during last nine months, or $113.30 per ton.

(13) Estimate value of Macau's imports from Communist China converted to volume at rate of US $137.50 per ton, which is the average value per ton of Hong Kong's retained imports from Communist China.

(14) Calculated on an estimated average rate of $1,300 per long ton, based on the commodity composition of the trade.

TABLE III-A

SUMMARY OF HONG KONG'S EXPORTS (BY VALUE) TO COMMUNIST CHINA, 1952
(In thousands of US dollars)

Commodity Group	Jan-June	Jul-Sep	Oct-Dec	Total
Food, feed, beverages and tobacco	141	225	445	811
Animal and vegetable crude materials, inedible, n.e.s.	383	778	1,181	2,342
Chemicals, n.e.s.	11,648	4,944	3,086	19,676 (a)
Medicinal and pharmaceutical products	2,699	7,089	14,418	24,206
Dyeing, tanning, and colouring materials	1,081	3,756	4,808	9,645
Fertilizers, manufactured	438	26	13	477
Crude fertilizers and crude minerals, excluding coal, petroleum and precious stones	6	4	0	10
Rubber and its manufactures, n.e.s.	neg.	9	16	25
Pulp, paper and their manufactures	3,479	430	122	4,031
Textile fibres	970	1,919	1,642	4,531
Textile yarn, fabrics, made-up articles and related products (including clothing)	1,204	304	303	1,811
Footwear	0	2	0	2
Mineral fuels, lubricants and related materials	0	0	0	0
Non-metallic mineral manufactures, n.e.s.	62	156	433	651
Base metals (including scrap) and their ores	1	4	12	17
Manufactures of metals, n.e.s.	205	306	771	1,282
Machinery other than electric	1,489	1,463	1,983	4,935
Electrical machinery, apparatus and appliances	678	502	559	1,739
Transport equipment	3	18	52	73
Professional, scientific and controlling instruments; photographic and optical goods; watches and clocks	441	1,469	2,214	4,124
Miscellaneous (b)	317	256	911	1,484
	25,261	23,680	32,931	81,892

(a) Of this total, 74.9 per cent is accounted for by sulphate of ammonia, (classified by Hong Kong as a chemical compound rather than as fertilizer), 4.9 per cent by caustic soda, and 0.9 per cent by soda ash.

(b) Includes some items more properly attributable to one of the specific categories above, but the necessary details are not readily calculable.

NOTES: Currency conversions at average rates of exchange: Jan-June, US $1 to HK $6.5; July-Sept, US $1 to HK $6.4; Oct-Dec, US $1 to HK $6.1.

TABLE IV-9

COMPOSITION OF COMMUNIST CHINA'S SEABORNE IMPORTS FROM NON-COMMUNIST COUNTRIES OTHER THAN HONG KONG AND MACAO, 1952 1/
(metric tons)

ITEM	Jan-Jun	Jul-Dec	Total 1952
Raw cotton	49,921	38,971	88,892
Crude rubber	7,600	16,048	23,648
Petroleum products	Nil	Nil	Nil
Transportation equipment	Nil	Nil	Nil
Machinery and metal manufactures	252	1,094	1,346
Iron and steel	Nil	95	95
Non-ferrous metals	Nil	167	167
Fertilizer	794	65,716	66,510
Industrial chemicals	1,693	37,064	38,757
Pharmaceuticals	Nil	301	301
Foodstuffs	17,000	24,030	41,030 2/
Gunny bags	11,500	400	11,900
Pulp and paper	3,000	26,926	29,926
Miscellaneous	2,763	9,979	12,742
Unknown	--	8,500	8,500
Total	94,523	229,291	323,814

1/ Figures on raw cotton based on trade data. All other figures derived from cargo information and other intelligence.
2/ Includes rice shipments from Thailand estimated at 40,000 tons.

~~Table VII~~

SOVIET BLOC AND NON-SOVIET BLOC REGISTERED [illegible] OF [illegible] IN [illegible]
SEPTEMBER [illegible] 1958

	NON-SOVIET BLOC FLAGS MADE DIRECT			SOVIET-SOVIET BLOC CO-STAR FLAGS			TOTAL NON-SOVIET BLOC			SOVIET BLOC			GRAND TOTAL	
	No.	GRT	% of Total GRT	No.	GRT	% of Total GRT	No.	GRT	% of Total GRT	No.	GRT	% of Total GRT	No.	GRT
January	48	164	39	13	47	11	48	211	50	36	212	50	84	423
February	37	175	37	15	61	13	53	237	50	39	242	50	92	479
March	55	296	55	15	57	11	70	353	67	33	182	34	103	535
April	57	362	61	10	35	7	77	397	71	34	164	29	111	561
May	68	402	62	11	53	8	82	456	70	34	189	30	118	644
June	63	370	67	12	67	8	75	414	74	27	139	25	102	553
July	60	343	72	8	26	5	68	369	77	35	109	23	93	477
August	67	377	71	8	28	5	75	405	76	29	125	24	104	530
September	68	384	75	7	22	4	75	406	79	23	112	21	98	518
October	75	433	76	6	17	3	80	450	79	23	120	21	103	570
November	80	454	72	6	21	3	86	475	75	27	153	25	113	628
December	82	487	65	4	12	2	86	499	67	41	247	33	127	746

NOTES: (1) This table excludes merchant ships under 1000 gross registered tons.
(2) Gross tonnage is given in thousands of tons.
(3) For interpretation of numbers that are included on this page see the definition of the term "involvement" in the appendix.
(4) A ship may appear in more than one month provided she is "involved", but no ship appears more than once in any given month regardless of the number of voyages made.

~~S-E-C-R-E-T~~

TABLE II

SHIPS AND SERVICES ACQUIRED BY THE SOVIET BLOC FROM NON-BLOC COUNTRIES DURING 1952

I. SOVIET BLOC PURCHASES, SECOND-HAND SHIPS — Nil

II. SOVIET BLOC DELIVERIES, NEW SHIPS, FROM WEST EUROPEAN SHIPYARDS

	Ship Name		GRT
Belgium to USSR	STALINGRAD		1670
	IVAN GONTCHAROV		1712
	IVAN TURGENEV		1712
		3 ships	5094
Denmark to USSR	APSHERON		8840
	REFRIGERATOR NO. 4		1676
	REFRIGERATOR NO. 5		1679
		3 ships	12195
Finland to USSR	UGLITS		2491
	KLASJMA		1081
	NERTSMA		1081
	MOGILEV		2419
	BOBRUSK		2491
		5 ships	9563
Italy to USSR	TOBOLSK		3498
		1 ship	3498
Sweden to USSR	SUNGARI		1100
	NARVA		1147
		2 ships	2247

III. SOVIET BLOC SHIPS UNDER REPAIR, WEST EUROPEAN SHIPYARDS

	Name	Flag	GRT	Arrived (1)	Departed (1)
Belgium	MOLOTOV	Soviet	2332	29-3-52	12-6-52
	KUBAN	Soviet	7176	14-4-52	4-7-52
	ELTON	Soviet	2339	16-2-52	21-5-52
	KOSCIUSZKO	Polish	7527	31-3-52	19-10-52
	PULASKI	Polish	7083	21-6-52	28-11-52
	PRACA	Polish	8207	7-7-52	-
Britain	STALOWA WOLA	Polish	3133	15-12-51	9-8-52
	GENERAL ZEM	Polish	5011	2-3-52	19-5-52
	WARSZAWA	Polish	6021	4-9-52	11-12-52
	GENERAL ZEM	Polish	5011	16-12-52	-
	PLEKHANOV	Soviet	3743	15-2-52	10-4-52
	BALTYK	Polish	7001	17-10-52	21-12-52
Denmark	WISLA	Polish	3108	2-9-51	25-5-52
	GDYNIA	Polish	2263	29-10-52	22-11-52
	GDYNIA	Polish	4000	4-11-52	-
	MIKOLAJ REJ	Polish	5614	22-2-52	29-5-52
	KIELCE	Polish	2485	2-7-51	9-7-52
	LEWANT	Polish	1923	2-12-51	13-3-52

NOTES:
(1) These dates are given in the following sequence: day; month; year.

	Name	Flag	GRT	Arrived	Departed
France	FRYDERYK CHOPIN	Polish	8062	21-10-51	2-C-52
	BERESINA	Rumanian	3087	4-3 -52	7-7-52
Italy	PAMIR	Soviet	6492	4-10-51	30-7-52
	OMSK	Soviet	5638	19-12-51	12-4-52
	GENERAL CHERNYAKOVSKY	Soviet	6121	18-1-52	8-5-52
	SEVASTOPOL	Soviet	7176	5-4-52	26-5-52
	ALEXANDER SUVOROV	Soviet	7176	4-5-52	21-8-52
	MAXIM GORKY	Soviet	3974	26-8-51	10-3-52
	VOSTOK	Soviet	5763	15-11-51	26-2-52
	KRASNODAR	Soviet	4186	24-11-51	29-4-52
	KOLKHOSNIK	Soviet	7148	10-3-52	21-5-52
	TARAS SHEVCHENKO	Soviet	5622	16-4-52	10-7-52
	A. ANDREEV	Soviet	2847	2-11-52	—
	RODINA	Bulgarian	2709	17-4-52	6-7-52
	LENOLD	Soviet	7176	5-3-52	23-4-52
	BELORUSSIA	Soviet	5610	24-10-51	6-2-52
	NOGILEV	Soviet	1057	13-8-52	—
	BULGARIA	Bulgarian	4191	26-9-52	14-12-52
Netherlands	TIJBOY	Soviet	2902	12-12-52	—
	STALINABAD	Soviet	7176	13-2-52	19-5-52
	TUNGUS	Soviet	7194	5-12-52	—
	OMEGA	Soviet	1662	14-12-52	—
	IVANFOLZUNOV	Soviet	7176	22-3-52	12-6-52
	PSKOV	Soviet	7176	26-3-52	1-7-52
	VTORAYA PYATILETKA	Soviet	7176	18-11-51	23-2-52
	KONDAKOV	Soviet	2770	1-8-52	—
	KALININGRAD	Soviet	6214	19-8-52	—
	VIGRUND (tug)	Soviet	300	17-4-52	29-9-52
West Germany	PRZEWODNIK NARODOW	Polish	8880	21-4-52	16-5-52
	PRZEMYSLOWY	Polish	7196	25-4-52	8-6-52
	OLSZTYN	Polish	1925	5-5-52	5-6-52

TABLE X

MERCHANT SHIPS OF THE SOVIET BLOC, INCLUDING THOSE OF COMMUNIST CHINA - 31 DECEMBER 1952 (1) (2)

	COMBINATION (3)		FRTS.		TANKERS		MISC.		TOTALS	
	No.	GRT (thousands of tons)	No.	GRT (thousands of tons)	No.	GRT (thousands of tons)	No.	GRT (thousands of tons)	No.	GRT (thousands of tons)
U.S.S.R.	67	309	472	1456	33	127	23	83	595	1975
Poland	3	23	59	214	2	15	5	9	69	261
Communist China	32	58	53	192	11	18	-	-	96	268
Bulgaria	-	-	4	10	-	-	-	-	4	10
Czechoslovakia	-	-	1	6	-	-	-	-	1	6
Hungary	-	-	2	2	-	-	-	-	2	2
Rumania	3	16	5	17	-	-	-	-	8	33
Totals	105	406	596	1897	46	160	28	92	775	2555

NOTES:

(1) Vessels of less than 1,000 gross registered tons are excluded.
(2) This is a US table. While there are minor differences in the [redacted] those differences are not significant.
(3) Carries passengers and freight.

CONFIDENTIAL

TABLE XI

THROUGH TRAFFIC CAPABILITY OF THE TRANS-SIBERIAN RAILROAD AND CONNECTING LINES IN MANCHURIA AND NORTH KOREA, 1953

	Trains Each Way Per Day			Metric Tons		
					Capability for Freight Movement Each Way	
	Capability a/	Passenger and Other Nonfreight Movements	Balance Available for Freight Movements	Net Load Per Freight Train	Per Day	Per Year (Millions)
Trans-Siberian						
Total	36	3	33 b/	1,000	33,000	12.0 b/
(Available for Movement to China and Korea)			(15)b/		(16,000)c/	(5.8)c/
Manchuria d/						
Lin-chou-li - Harbin	N.A.	N.A.	10	650	6,500	2.4
Sui-fun-ho - Harbin	N.A.	N.A.	10	650	6,500	2.4
Total	N.A.	N.A.	20	650	13,000	4.8
Korea						
Yermakovskiy-Suchan-Hunghui	10	1	9	500	4,500	1.6

a/ This is the capability, with existing known equipment and facilities, in the section of line with the lowest capability. Other sections of the line may have considerably higher capability.

b/ A significant part of this capability must be used to supply the railroad with fuel, ties, and other materials, after deductions for railroad needs and military and economic requirements of the Soviet Far East.

c/ The Turskiy - Lin-chou-li- and Voroshilov - Sui-fun-ho branches of the Trans-Siberian railroad, which run to the Manchurian border, each have a capability equal to or greater than that of the Lin-chou-li - Harbin - Sui-fun-ho line in Manchuria and therefore do not limit through traffic between the USSR and Manchuria.

SECRET

APPENDIX

DETAILED DATA ON MERCHANT SHIPPING INVOLVED IN TRADE WITH COMMUNIST CHINA

APPENDIX

Contents

		Page
Explanatory Notes		84
Tab A.	Tables in this Tab relate principally to sections in the main body of the report concerned with cargo-carrying capacity and the origin and destination of voyages.	
	Subject	
A-1.	Merchant Ship Arrivals in Communist China, By Months, 1952.	85
A-2.	Non-Soviet Bloc Merchant Shipping Arriving in Communist Chinese Ports, By Months, 1952	86
A-3.	Non-Soviet Bloc Registered Merchant Shipping Arriving in Communist Chinese Ports, By Country of Registry and Nationality of Beneficial Owners, 1952	87
A-4.	Origin of Voyages of Non-Soviet Bloc Registered Merchant Shipping Arriving in Communist Chinese Ports in 1952	88
A-5.	Destination of Voyages of Non-Soviet Bloc Registered Merchant Shipping Arriving in Communist Chinese Ports in 1952	89
A-6.	Summary of Shipping (Other Than Ocean-Going Over 1,000 GRT) Clearing Hong Kong for Communist China and Macao, 1952	90
A-7.	Soviet Bloc Shipping Arrivals in Communist Chinese Ports, By Months, 1952	91
A-8.	Origin of Voyages of Soviet Bloc Registered Merchant Shipping Arriving in Communist Chinese Ports, 1952	93
A-9.	Destination of Voyages of Soviet Bloc Registered Merchant Shipping Arriving in Communist Chinese Ports, 1952	94
Tab B.	Tables in this Tab relate to the analysis of export shipping in section III A 2, III B 2 and IV A in the main body of the report.	
	Subject	
B-1.	Merchant Ship Departures from Communist China, by Months, 1952	95
B-2.	Non-Soviet Bloc Registered Merchant Shipping Departing from Communist Chinese Ports, by Month, 1952	96
B-3.	Non-Soviet Bloc Registered Merchant Shipping Departing from Communist Chinese Ports by Country of Registry and Nationality of Beneficial Owners in 1952	97
B-4.	Origin of Voyages of Non-Soviet Bloc Registered Merchant Shipping Departing from Communist Chinese Ports in 1952	98

CONFIDENTIAL

Tab B (Continued)

	Subject	Page
B-5.	Destinations of Voyages of Non-Soviet Bloc Registered Merchant Shipping Departing from Communist Chinese Ports in 1952	99
B-6.	Origin of Voyages of Soviet Bloc Registered Merchant Ships Departing from Communist Chinese Ports, 1952	100
B-7.	Destinations of Voyages of Soviet Bloc Registered Merchant Ships Departing from Communist Chinese Ports during 1952	101
Tab C.	Tables in this Tab present details of the shipping involved in Communist China's trade and relate principally to section V in the main body of the report.	
	Subject	
	Explanation of the Term Involvement	102
C-1.	Non-Soviet Bloc Registered Merchant Shipping Involved in Communist Chinese Seaborne Trade, by Country of Registry and Nationality of Beneficial Owners, 1952	103
C-2.	Non-Soviet Bloc Registered Merchant Shipping En Route to or from Communist Chinese Ports/from or to Non-Chinese Ports, by Registry, 1952	104
C-3.	Non-Soviet Bloc Registered Merchant Shipping En Route to or from Communist Chinese Ports/from or to Non-Chinese Ports, by Beneficial Owners, 1952	106
C-3-a.	Non-Soviet Bloc Registered Merchant Shipping Arriving at or En Route to Communist Chinese Ports from Non-Chinese Ports in 1952, by Country of Registry	108
C-3-b.	Non-Soviet Bloc Registered Merchant Shipping Departing from or En Route from Communist China to Non-Chinese Ports in 1952, by Country of Registry	109
C-4.	Non-Soviet Bloc Registered Merchant Shipping in Communist Chinese Coastal Trade in 1952	110
C-5.	Volume of Soviet Bloc Shipping Involved in Communist Chinese Seaborne Trade, by Months, 1952	111
C-6.	Non-Soviet Bloc Registered Merchant Ships in the Communist Chinese Coastal Trade in 1952	112

TAB A-1

FREIGHT SHIP ARRIVALS IN COMMUNIST CHINA, BY MONTHS, 1952 (1), (2)

	NUMBER	GRT (thousands of tons)	CARGO CARRYING CAPACITY (3) (thousands of tons)
January	39	165	247
February	40	171	256
March	50	222	333
April	40	191	286
May	42	187	280
June	34	151	226
July	41	191	286
August	43	184	276
September	45	196	294
October	44	157	235
November	58	255	382
December	57	287	431
Total	532	2357	3532

NOTES:

(1) This table excludes ships under 1,000 gross registered tons.
(2) This table presents data on those Soviet Bloc and Non-Soviet Bloc vessels that are known to have arrived in Communist Chinese ports, by voyages. Vessels have been included as many times as they have arrived from non-Chinese ports.
(3) Cargo carrying capacity has been computed by multiplying gross tonnage by 1.5.
(4) Data on coastal shipping are contained in Table VI and Tab C-4.

TABLE A-2

NON-SOVIET BLOC MERCHANT SHIPPING ARRIVING IN COMMUNIST CHINESE PORTS, BY MONTHS, 1952 (1),(2)

	NUMBER	GRT (thousands of tons)	CARGO CARRYING CAPACITY (3) (thousands of tons)
January	28	101	151
February	27	89	133
March	41	169	253
April	35	157	235
May	33	154	231
June	26	122	183
July	35	156	234
August	34	148	222
September	39	171	256
October	40	139	208
November	49	200	300
December	42	191	286
Total	429	1797	2692

NOTES:

(1) This table excludes ships under 1,000 gross registered tons.
(2) This table presents data on those non-Soviet bloc vessels that are known to have arrived in Communist Chinese ports by voyages. Vessels have been included as many times as they have arrived from non-Chinese ports.
(3) Cargo carrying capacity has been computed by multiplying gross tonnage by 1.5.

CONFIDENTIAL

TAB A-3

NON-SOVIET BLOC REGISTERED MERCHANT SHIPPING ARRIVING IN COMMUNIST CHINESE PORTS, BY COUNTRY OF REGISTRY AND NATIONALITY OF BENEFICIAL OWNERS (1),(2)
1952

	COUNTRY OF REGISTRY		NATIONALITY OF BENEFICIAL OWNERS	
	No.	GRT (thousands of tons)	No.	GRT (thousands of tons)
United Kingdom	280	1081	271	1075
Communist China	--	--	23	101
Costa Rica	1	7	—	—
Denmark	29	115	29	115
Finland	5	31	4	26
France	2	14	2	14
Greece	26	172	2	14
India	2	12	2	12
Italy	8	58	8	58
Netherlands	1	8	1	8
Norway	47	162	47	162
Pakistan	19	100	19	100
Panama	1	5	—	—
Philippines	1	4	1	4
Sweden	6	28	7	33
Switzerland	1	7	1	7
United States	—	--	12	75
Total	429	1804	429	1804

NOTES:

(1) This table excludes vessels under 1,000 gross registered tons.
(2) These totals represent the actual arrivals, each ship being counted as many times as she arrived in a Chinese port from a non-Communist Chinese port.

TAB A-4

ORIGIN OF VOYAGES OF NON-SOVIET BLOC REGISTERED MERCHANT SHIPPING ARRIVING IN COMMUNIST CHINESE PORTS IN 1952 (1),(2)

COUNTRY OF ORIGIN	NUMBER	GRT (thousands of tons)	CARGO-CARRYING CAPACITY (3) (thousands of tons)
Aden	1	7	10
Australia	3	21	31
Belgium	2	14	21
Nationalist China	2	14	21
Egypt	1	7	10
Finland	4	25	37
France	2	14	21
West Germany	5	48	72
Hong Kong	225	648	972
India	17	97	145
Indochina	10	70	105
Indonesia	2	14	21
Japan	63	320	480
Malaya	21	77	115
Netherlands	1	4	6
Norway	1	6	9
Pakistan	18	99	148
Poland	12	80	120
Rumania	3	17	25
Thailand (Bankok)	11	30	45
United Kingdom	22	162	243
Soviet Far East	3	24	36
Total	429	1798	2693

NOTES:

(1) This table excludes vessels under 1,000 gross registered tons.
(2) Vessels have been included as many times as they have arrived from non-Chinese ports.
(3) Cargo-carrying capacity has been computed by multiplying gross tonnage by 1.5.

TAB A-5

DESTINATION OF VOYAGES OF NON-SOVIET BLOC REGISTERED MERCHANT SHIPPING ARRIVING IN COMMUNIST CHINESE PORTS IN 1952 (1),(2)

PORT OF DESTINATION	NUMBER	GRT (thousands of tons)
North China		
Chefoo	3	22
Chinwangtao	16	93
Shanghai	49	173
Taku Bar/Tientsin	105	451
Tsingtao	34	213
Total	207	952
Central China		
Chuenchow	4	9
Foochow	23	66
Swatow	76	181
Wenchow	1	2
Total	104	258
South China		
Kuang-Chow-Wan (Fort Bayard)	7	13
Hoihow (Hainan Island)	8	23
Pearl River/Whampoa	65	342
Total	80	378
Dairen	38	214
Grand Total	429	1802

NOTES:

(1) This table excludes vessels under 1,000 gross registered tons.
(2) Vessels have been included as many times as they have arrived from non-Chinese ports.

~~CONFIDENTIAL~~

Tab A-6

SECURITY OF SHIPPING (OTHER THAN OCEAN-GOING OVER 1,000 GRT) CLEARING HONG KONG FOR COMMUNIST CHINA AND MACAO, 1952

	1st Quarter		2nd Quarter		3rd Quarter		4th Quarter		TOTAL		CARRYING CAPACITY
	No.	GRT (4) (thousands of tons)	No.	GRT (thousands of tons)	No.	GRT (thousands of tons)	No.	GRT (thousands of tons)	No.	GRT (thousands of tons)	(thousands of tons)
Merchant Vessels under 500 Net Registered Tons											
(a) To China											
British Flag	16	4	42	10	32		28	6	138	28	53
Chinese Flag	14	2	4	1	-		-	-	18	3	6
Total	30	6	46	11	32		28	6	126	31	59
(b) To Macao											
(all British Flag)	12	1	1	negl.	-		-	-	13	1	2
River Steamers											
(a) To China											
(all Chinese Flag)	9	1	1	negl.	3		6	1	19	2	1
(b) To Macao											
British Flag	409	334	443	416	456		326	281	1636	1375	452
Chinese Flag	41	4	1	negl.	26		54	6	125	13	4
Junks											
(a) To China	1702	128	1349	116	1698		1910	136	6659	519	724
(b) To Macao	598	4	446	33	568		706	50	2318	165	231
Launches											
(a) To China	483	0	544	12	619		669	13	2315	49	9
(b) To Macao	29	1	20	1	65		32	1	146	5	1
											1,453

NOTES:

(1) The figures in this table are based on statistics compiled by the Department of Marine, Hong Kong Government. That Department's records do not give gross registered tonnages for individual vessels, and gross registered tonnages are not readily available. All calculations of carrying capacity have been prepared by applying agreed formulae to net registered tonnages.

(2) For the purpose of estimating total cargo-carrying capacity of craft, it may be assumed that the vessels under 500 net registered tons are also most of those under 1,000 gross registered tons.

(3) [redacted] is unable to check the accuracy of those data.

(4) Net registered tons.

~~CONFIDENTIAL~~

~~CONFIDENTIAL~~

TAB A-7

SOVIET BLOC SHIPPING ARRIVALS IN CHINESE COMMUNIST PORTS BY MONTHS, 1952 (1),(3), (6)

	TOTAL			SOVIET (4),(5)			POLISH			CZECHOSLOVAKIA		
	No.	GRT (thousands of tons)	Cargo(2) Carrying Capacity (thousands of tons)	No.	GRT (thousands of tons)	Cargo(2) Carrying Capacity (thousands of tons)	No.	GRT (thousands of tons)	Cargo(2) Carrying Capacity (thousands of tons)	No.	GRT (thousands of tons)	Cargo(2) Carrying Capacity (thousands of tons)
ry	11	64	96	7	38	57	4	26	39			
ry	13	82	122	7	41	61	6	41	61			
	9	53	79	7	39	58	2	14	21			
	5	34	51	4	26	39	1	8	12			
	8	33	49	6	22	33	2	11	16			
	8	29	43	5	11	16	3	18	27			
	6	35	52	2	11	16	3	18	27	1	6	9
	9	36	53	5	11	16	4	25	37			
ber	6	25	37	4	14	21	2	11	16			
r	4	18	27	3	10	15	1	8	12			
er	9	55	82	6	38	57	3	17	25			
er	15	96	144	12	76	114	3	20	30			
Totals	113	560	835	65	337	503	34	217	323	1	6	9

See next page for explanatory notes.

~~CONFIDENTIAL~~

NOTES:

(1) Vessels of less than 1,000 gross registered tons are not included in this table.
(2) Cargo carrying capacity is calculated by multiplying gross tons by 1.5.
(3) All Soviet, Polish and Czechoslovakian ships are owned and operated by their respective governments.
(4) It is believed that the Soviet figures include some arrivals at Dairen for docking and repairs.
(5) Coverage of arrivals from the Soviet Far East is probably incomplete but unrecorded arrivals are probably small.
(6) Vessels have been included as many times as they have arrived from non-Chinese ports.

TAB A-8

ORIGIN OF VOYAGES OF SOVIET BLOC REGISTERED MERCHANT SHIPPING ARRIVING IN COMMUNIST CHINESE PORTS, 1952 (1), (2)

COUNTRY OR AREA OF ORIGIN	NUMBER	GRT (thousands of tons)	CARGO-CARRYING (3) CAPACITY (thousands of tons)
Ceylon	9	15	22
Poland	40	219	328
Rumania	3	22	33
Archangel	1	5	7
U.S.S.R. (Baltic)	7	35	52
U.S.S.R. (Black Sea)	7	13	19
U.S.S.R. (Far East)	43	250	375
Total	110	559	836

NOTES:

(1) This table excludes vessels under 1,000 gross registered tons.
(2) Vessels have been included as many times as they have arrived from non-Chinese ports.
(3) Cargo-carrying capacity was been computed by multiplying gross tonnage by 1.5.

DESTINATION OF VOYAGES OF SOVIET BLOC REGISTERED MERCHANT SHIPPING ARRIVING IN COMMUNIST CHINESE PORTS, 1952 (1),(2)

PORT OF DESTINATION	NUMBER	GRT (thousands of tons)
North China		
Chinwangtao	4	24
Dairen	50	266
Shanghai	13	39
Taku Bar/Tientsin	25	135
Tsingtao	6	34
Total	98	528
Central China		
None		
South China		
Whampoa	5	31
Grand Total	103	559

NOTES:

(1) This table excludes vessels under 1,000 gross registered tons.
(2) Vessels have been included as many times as they have arrived from non-Chinese ports.

~~CONFIDENTIAL~~

TAB B-1

FOREIGN SHIP DEPARTURES FROM COMMUNIST CHINA, BY MONTHS, 1952 (1) (2)

	NUMBER	GRT (thousands of tons)	CARGO CARRYING (3) CAPACITY (thousands of tons)
January	26	112	168
February	35	141	211
March	47	193	289
April	45	209	313
May	42	230	345
June	35	162	243
July	30	161	241
August	38	173	259
September	46	199	298
October	44	163	244
November	46	209	313
December	64	299	448
Total	506	2,251	3,372

NOTES:

(1) This table excludes vessels under 1,000 gross registered tons, it also excludes shipping between Chinese Communist ports.

(2) This table presents data on those Soviet bloc and non-Soviet bloc vessels that are known to have departed from Communist Chinese ports by voyages. Vessels have been included as many times as they have departed for non-Communist Chinese ports.

(3) Cargo carrying capacity has been computed by multiplying gross tonnage by 1.5.

TAB B-2

NON-SOVIET BLOC REGISTERED MERCHANT SHIPPING DEPARTING FROM COMMUNIST CHINESE PORTS, BY MONTH, 1952 (1), (2)

	NUMBER	GRT (thousands of tons)	CARGO CARRYING CAPACITY (thousands of tons)
January - June	182	775	1,132
July	29	130	195
August	34	159	239
September	41	172	258
October	37	133	199
November	41	178	266
December	47	192	288
Total	411	1,719	2,577

NOTES:

(1) This table excludes ships under 1,000 gross registered tons.

(2) This table presents data on those non-Soviet bloc flag vessels that are known to have departed from Communist Chinese ports by voyages. Vessels have been included as many times as they have departed for a non-Chinese port.

(3) Cargo carrying capacity has been computed by multiplying gross tonnage by 1.5.

CONFIDENTIAL

TAB B-3

NON-SOVIET BLOC REGISTERED MERCHANT SHIPPING DEPARTING FROM COMMUNIST CHINESE PORTS BY COUNTRY OF REGISTRY AND NATIONALITY OF BENEFICIAL OWNERS IN 1952 (1),(2)

	REGISTRY		BENEFICIAL OWNERS	
COUNTRY	No.	GRT (thousands of tons)	No.	GRT (thousands of tons)
United Kingdom	270	1040	263	1058
Communist China	--	—	21	79
Costa Rica	1	7	—	--
Denmark	27	99	27	99
Finland	5	31	4	26
France	2	14	2	14
Greece	27	179	2	14
India	2	12	2	12
Italy	8	58	8	58
Netherlands	1	8	1	8
Norway	44	149	44	149
Pakistan	18	93	18	93
Philippines	1	4	1	4
Sweden	4	19	5	24
Switzerland	1	7	1	7
United States	—	—	12	75
Total	411	1720	411	1720

NOTES:

(1) This table excludes vessels under 1,000 gross registered tons.
(2) These totals represent the actual departures, each ship being counted as many times as she departed from a Communist Chinese port for a non-Communist Chinese port.

~~TOP SECRET~~

ORIGIN OF VOYAGES OF NON-SOVIET BLOC REGISTERED TONNAGE SHIPPING REPORTED FROM COMMUNIST CHINESE PORTS IN 1952 (1), (2)

PORT OF ORIGIN	NUMBER	GRT (thousands of tons)
North China		
Chefoo	2	15
Chinwangtao	13	75
Dairen	42	209
Shanghai	60	200
Talm Bay/Yentsin	96	415
Tangku	1	3
Tsingtao	48	270
Total	262	1,187
Central China		
Chuanchow	1	2
Foochow	12	53
Hankong	5	11
Swatow	66	156
Wenchow	1	2
Total	85	204
South China		
Hoihow (Hainan Island)	4	12
Whampoa	60	315
Total	64	327
GRAND TOTAL	411	1,718

NOTES:
(1) This table excludes vessels under 1,000 gross registered tons.
(2) These totals represent the actual departures, each ship being counted as many times as she departed from a Chinese Communist port for a non-Chinese Communist port.

~~CONFIDENTIAL~~

DESTINATIONS OF VOYAGES OF NON-SOVIET BLOC REGISTERED MERCHANT SHIPPING DEPARTING FROM COMMUNIST CHINESE PORTS IN 1952 (1), (3)

COUNTRY OF DESTINATION	NUMBER	GRT (thousands of tons)
Australia	2	12
Bulgaria	2	12
Ceylon	4	26
Denmark	1	7
Germany (West)	22	159
Hong Kong	234	673
India	31	186
Indonesia	2	12
Italy	7	48
Japan	27	97
Malaya	13 (2)	44
Netherlands	6	42
Norway	3	21
Pakistan	12	65
Philippines	1	4
Poland	10	67
Rumania	15	98
Sweden	2	8
Trieste	1	7
United Kingdom	14	115
Soviet Far East	2	16
Total	411	1,739

NOTES:

(1) This table excludes ships of less than 1,600 gross registered tons.
(2) [redacted] (GR=2284 GRT.) sank enroute from Swatow to Singapore.
(3) These totals represent the actual departures, each ship being counted as many times as she departed from a Chinese Communist port for a non-Chinese Communist port.

CONFIDENTIAL

TAB B-6

ORIGIN OF VOYAGES OF SOVIET BLOC REGISTERED MERCHANT SHIPS
DEPARTING FROM COMMUNIST CHINESE PORTS, 1952 (1),(2),(3)

PORT OF ORIGIN	NUMBER	GRT (thousands of tons)
North China		
Chinwangtao	5	36
Dairen	47	242
Shanghai	15	79
Taku Bar/Tientsin	16	79
Tsingtao	9	57
Total	92	513
Central China		
None		
South China		
Whampoa	3	19
Grand Total	95	532

NOTES:

(1) This table excludes ships under 1,000 gross registered tons.
(2) This table excludes ships engaged exclusively in Chinese Communist coastal trade.
(3) These totals represent the actual departures, each ship being counted as many times as she departed from a Chinese Communist port for a non-Chinese Communist port.

DESTINATIONS OF VOYAGES OF SOVIET BLOC REGISTERED MERCHANT SHIPS DEPARTING FROM COMMUNIST CHINESE PORTS DURING 1952 (1), (2)

COUNTRY OF DESTINATION	NUMBER	GRT (thousands of tons)
Ceylon & Pakistan	4	26
United Kingdom & Holland	3	18
Poland	38	240
Rumania	2	16
U.S.S.R. (Black Sea)	4	28
U.S.S.R. (Far East)	44	204
Totals	95	532

NOTES:

(1) This table excludes ships of less than 1,000 gross registered tons.
(2) These totals represent the actual departures, each ship being counted as many times as she departed from a Chinese Communist port for a non-Chinese Communist port.

~~S-E-C-R-E-T~~

EXPLANATION OF THE TERM "INVOLVEMENT"

The term involvement as used in connection with the statistics presented in Tab C has the following meaning: vessels are considered to be "involved" when they are known to be en route to or from, or in, Communist Chinese ports. This procedure is intended to measure shipping directly occupied in Communist Chinese seaborne trade.

The statistics in Tab C on involvement seek to indicate the minimum amount of shipping that would be lost to the Soviet Bloc if non-Soviet Bloc registered and/or owned vessels were prevented from carrying Communist China's seaborne trade. The statistics are minima in the sense that (1) they do not include a large volume of shipping in vessels under 1,000 gross registered tons and that (2) they do not include vessels indirectly involved in Communist Chinese seaborne trade such as those carrying goods to other than Communist Chinese ports for eventual transshipment to the Communists. Vessels making an inbound or outbound voyage in ballast or a voyage only partially loaded have been included in the statistics.

TAB C-1

NON-SOVIET BLOC REGISTERED MERCHANT SHIPPING INVOLVED IN COMMUNIST CHINESE SEABORNE TRADE, BY COUNTRY OF REGISTRY & NATIONALITY OF BENEFICIAL OWNERS, 1952 (1),(3)

	COUNTRY OF REGISTRY		NATIONALITY OF BENEFICIAL OWNERS	
	No.	GRT (thousands of tons)	No.	GRT (thousands of tons)
Chinese Communist	--	--	21	77
Costa Rica	1	7	--	--
Denmark	7	39	7	39
Finland	5	28	4	23
France	2	14	2	14
Greece	23	153	2	14
Honduras	1	3	--	--
India	2	12	2	12
Italy	8	59	8	59
Netherlands	2	16	2	16
Norway	16	80	16	80
Pakistan	12	63	12	63
Panama (2)	14	50	--	--
Philippines	1	4	1	4
Sweden	3	16	4	20
Switzerland	1	6	1	6
United Kingdom	108	647	112	692
United States	--	--	12	73
Total	206	1197	206	1197

NOTES:

(1) This table excludes vessels under 1,000 gross registered tons.
(2) The majority of these vessels have now lost their Panamanian Registry and are considered as Chinese Communist.
(3) No ship appears more than once regardless of the number of voyages made during the year.

CONFIDENTIAL

~~CONFIDENTIAL~~

TAB C-2

NON-SOVIET BLOC REGISTERED MERCHANT SHIPPING IN ROUTE TO OR FROM COMMUNIST CHINESE PORTS/FROM OR TO NON-CHINESE PORTS BY REGISTRY, 1952 (1) (2)

COUNTRY OF REGISTRY	JAN.		FEB.		MARCH		APRIL		MAY		JUNE		JULY		AUG.		SEPT.		OCT.		NOV.		DEC.	
	No.	GRT 000's tons	No.	GRT 000's tons	No.	GRT 000's tons	No.	GRT 000's tons	No.	GRT 000's tons	No.	GRT 000's tons	No.	GRT 000's tons	No.	GRT 000's tons	No.	GRT 000's tons	No.	GRT 000's tons	No.	GRT 000's tons	No.	GR 00 to
United Kingdom	25	104	21	85	29	136	33	163	33	191	34	196	38	213	41	232	42	235	46	269	51	291	40	29
Costa Rica	-	-	-	-	-	-	1	7	1	7	1	7	-	-	-	-	-	-	-	-	-	-	-	-
Denmark	3	14	3	14	3	14	3	14	3	14	2	9	1	3	1	3	1	3	2	12	5	24	7	3
Finland	-	-	-	-	1	9	2	13	2	13	2	13	2	13	2	13	2	13	3	18	3	18	5	2
France	-	-	-	-	1	7	1	7	2	15	1	7	1	7	-	-	-	-	-	-	-	-	-	-
Greece	3	22	4	29	10	68	11	74	9	59	7	47	6	44	10	67	11	74	10	65	5	34	5	3
India	-	-	-	-	-	-	1	7	1	7	1	7	-	-	-	-	-	-	-	-	1	5	1	
Italy	2	14	2	14	4	29	5	36	5	37	4	30	3	22	-	-	-	-	-	-	-	-	1	
Norway	1	3	3	10	2	7	2	6	3	13	3	13	3	13	5	21	6	25	9	39	9	46	9	5
Pakistan	1	7	4	24	5	26	7	31	8	41	7	36	5	23	5	25	4	22	1	7	-	-	-	-
Philippines	-	-	-	-	-	-	1	4	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Sweden	-	-	-	-	-	-	-	-	1	5	1	5	1	5	1	5	1	5	3	16	3	16	3	1
Panama	-	-	-	-	-	-	-	-	-	-	-	-	-	-	1	4	-	-	-	-	1	5	-	-
Switzerland	-	-	-	-	-	-	-	-	-	-	-	-	-	-	1	7	1	7	1	7	1	7	-	-
Netherlands	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	1	8	2	1
Total (3)	35	164	37	176	55	296	67	362	68	402	63	370	60	343	67	377	68	384	75	433	80	454	82	48

NOTES: See next page for explanatory notes.

NOTES:

(1) This table excludes vessels under 1,000 gross registered tons.
(2) This table excludes vessels involved wholly in Communist Chinese coastal trade during a month.
(3) The totals are correct to the nearest 1,000 tons. The figures have been adjusted to agree with the monthly totals.

CONFIDENTIAL

NON-SOVIET BLOC REGISTERED MERCHANT SHIPPING EN ROUTE TO OR FROM COMMUNIST CHINESE PORTS/FROM OR TO NON-CHINESE PORTS, BY BENEFICIAL OWNERS - 1952 (2), (3), (4)

NATIONALITY OF BENEFICIAL OWNER	JAN.		FEB.		MARCH		APRIL		MAY		JUNE		JULY		AUG.		SEPT.		OCT.		NOV.		DEC.	
	No.	GRT(1)	No.	GRT(1)	No.	GRT(1)	No.	GRT(1)	No.	GRT(1)	No.	GRT(1)	No.	GRT(1)	No.	GRT(1)	No.	GRT(1)	No.	GRT(1)	No.	GRT(1)	No.	GRT
United Kingdom	32	105	22	107	32	166	36	200	35	211	38	227	40	227	41	236	51	246	47	276	51	294	47	280
Communist China	6	21	5	7	2	6	2	12	3	11	2	10	1	8	3	13	2	11	1	8	3	17	3	15
Denmark	3	14	3	14	3	14	3	14	3	14	2	9	1	3	1	3	1	3	2	12	5	24	7	39
Finland	-	-	-	-	1	9	2	13	2	13	2	13	2	18	2	13	2	13	2	13	2	13	4	23
France	-	-	-	-	1	7	1	7	2	15	1	7	1	7	-	-	-	-	-	-	-	-	-	-
Greece	-	-	-	-	1	7	1	7	1	7	-	-	1	7	1	7	1	7	-	-	-	-	-	-
India	-	-	-	-	-	-	1	7	1	7	1	7	-	-	-	-	-	-	-	-	1	5	1	5
Italy	2	14	2	14	4	29	5	36	5	37	4	30	3	22	-	-	-	-	-	-	-	-	1	8
Norway	1	3	3	20	2	7	2	6	3	13	3	13	3	13	5	21	6	25	9	39	9	46	9	63
Pakistan	1	7	4	24	5	26	7	31	8	41	7	36	5	23	5	25	4	22	1	7	-	-	-	-
Philippines	-	-	-	-	-	-	1	6	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Sweden	-	-	-	-	-	-	-	-	1	5	1	5	1	5	1	5	1	5	4	21	4	21	4	21
United States	-	-	-	-	4	25	4	25	4	25	2	13	2	19	7	45	7	45	8	50	3	19	4	27
Switzerland	-	-	-	-	-	-	-	-	-	-	-	-	-	-	1	7	1	7	1	7	1	7	-	-
Netherlands	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	1	8	3	16
Total	35	164	37	176	55	296	67	362	68	402	63	370	50	343	67	377	68	384	75	453	80	454	82	487

NOTES: See next page for explanatory notes.

NOTES:

(1) Gross tons are in thousands of tons.
(2) Vessels under 1,000 gross registered tons are excluded.
(3) The table excludes vessels involved wholly in Communist Chinese coastal trade during a month. (See Tab C-4)
(4) The figures are correct to the nearest 1,000 tons. They have been adjusted to agree with the monthly totals.

CONFIDENTIAL

TAB C-3-a

NON-SOVIET BLOC REGISTERED MERCHANT SHIPPING ARRIVING AT OR EN ROUTE TO COMMUNIST CHINESE PORTS FROM NON-CHINESE PORTS IN 1952, BY COUNTRY OF REGISTRY (1),(2)

COUNTRY OF REGISTRY	NUMBER	GRT (thousands of tons)
United Kingdom	297	1195
Costa Rica	1	7
Denmark	31	129
Finland	7	41
France	2	14
Greece	30	201
India	3	19
Italy	9	66
Netherlands	2	16
Norway	50	278
Pakistan	19	100
Philippines	1	4
Panama	1	5
Sweden	7	35
Switzerland	1	7
Total	461	2017

NOTES:

(1) This table excludes all ships under 1,000 gross registered tons.
(2) These totals represent voyages, each ship being counted as often as she was engaged in a voyage to a Communist Chinese port from a non-Communist Chinese port.

WE C-3-b

NON-SOVIET BLOC REGISTERED MERCHANT SHIPPING DEPARTING AREAS EN ROUTE FROM COMMUNIST CHINA TO NON-CHINESE PORTS IN 1958, BY COUNTRY OF REGISTRY (1), (2)

COUNTRY OF REGISTRY	NUMBER	GRT (Thousands of tons)
United Kingdom	353	1131
Costa Rica	1	7
Denmark	27	98
Finland	7	44
France	3	21
Greece	29	191
India	2	12
Italy	11	60
Netherlands	1	6
Norway	41	149
Pakistan	19	66
Philippines	1	4
Sweden	5	21
Switzerland	1	7
Total	484	1,673

NOTES: (1) This table excludes all ships under 1000 gross registered tons.
(2) These totals represent voyages, each ship being counted as often as she was engaged in a voyage from a Communist Chinese port to a non-Communist Chinese port.

[redacted]

~~CONFIDENTIAL~~

Tab C-4

NON-SOVIET BLOC REGISTERED MERCHANT SHIPPING IN COMMUNIST CHINESE COASTAL TRADE IN 1952 (1),(2)

COUNTRY OF REGISTRY	JAN. No.	JAN. GRT(2)	FEB. No.	FEB. GRT(2)	MARCH No.	MARCH GRT(2)	APRIL No.	APRIL GRT(2)	MAY No.	MAY GRT(2)	JUNE No.	JUNE GRT(2)	JULY No.	JULY GRT(2)	AUG. No.	AUG. GRT(2)	SEPT. No.	SEPT. GRT(2)	OCT. No.	OCT. GRT(2)	NOV. No.	NOV. GRT(2)	DEC No.	G
ited Kingdom	3	11	4	19	5	22	3	13	6	21	5	18	4	12	3	11	5	16	4	14	5	18	3	
nduras	1	3	1	3	1	3	1	3	1	3	1	3	-	-	1	3	1	3	-	-	-	-	1	
nmark	9	33	11	39	9	32	6	22	7	29	6	25	4	14	4	14	1	3	1	3	1	3	-	
Total	13	47	16	61	15	57	10	35	14	53	12	44	8	26	8	28	7	22	5	17	6	21	4	
TIONALITY OF NEFICIAL NERS																								
ited Kingdom	2	5	1	2	1	4	-	-	5	20	2	6	1	3	2	6	3	7	2	6	3	9	2	
inese Communist	11	42	15	59	14	53	10	35	9	33	10	38	7	21	6	22	4	15	3	11	3	12	2	
Total	13	47	16	61	15	57	10	35	14	53	12	44	8	26	8	28	7	22	5	17	6	21	4	

TES:
) This table excludes vessels under 1,000 gross registered tons.
) This table includes only those vessels engaged solely on voyages between Chinese Communist ports during the month.

~~CONFIDENTIAL~~

[redacted]

CONFIDENTIAL

TAB C-5

VOLUME OF SOVIET BLOC SHIPPING INVOLVED IN COMMUNIST CHINESE SEABORNE TRADE, BY MONTHS, 1952 (1)

	TOTAL		SOVIET (3)			POLISH (4) (5)			CZECHOSLOVAKI		
	No.	GRT (thousands of tons)	Cargo Carrying (2) Capacity (thousands of tons	No.	GRT (thousands of tons)	Cargo Carrying (2) Capacity (thousands of tons	No.	GRT (thousands of tons)	Cargo Carrying (2) Capacity (thousands of tons)	No.	GRT (thousands of tons)	Cargo Carry Capacity (t sands of to
	36	212	318	24	130	195	12	82	123	-	—	—
	39	242	363	26	153	229	13	89	133	-	—	—
	33	182	273	20	96	144	13	86	129	-	—	—
	34	164	246	21	81	121	13	83	124	-	—	—
	36	189	283	25	122	183	10	61	91	1	6	9
	27	139	208	14	60	90	12	73	109	1	6	9
	25	108	162	13	34	51	11	63	102	1	6	9
	29	125	187	15	40	60	13	79	118	1	6	9
	23	112	168	10	32	48	12	74	111	1	6	9
	23	120	180	9	34	51	13	80	120	1	6	9
	27	153	229	12	59	88	14	88	132	1	6	9
	41	243	364	23	131	196	17	106	159	1	6	9

NOTE:

(1) Excludes vessels under 1,000 gross registered tons.
(2) Cargo carrying capacity has been calculated by multiplying gross tonnage by 1.5.
(3) 77 different Soviet ships (73 cargo vessels, 4 tankers) of 366,810 GRT with a cargo carrying capacity of approximately half a million tons were involved in trading with Communist China during 1952. About half of these ships arrived from the Soviet Far East, some for repair.
(4) 22 different Polish ships (20 cargo vessels, 2 tankers) of 144,787 GRT with a cargo carrying capacity of approximately 200,000 tons were involved in trading with Communist China during 1952.
(5) Included in the above table is one Czechoslovakian ship, the Republika, which was damaged in August 1952 and has since been under repair in Shanghai.

CONFIDENTIAL

[redacted]

~~CONFIDENTIAL~~

TAB C-6

NON-SOVIET BLOC REGISTERED MERCHANT SHIPS IN THE COMMUNIST CHINESE COASTAL TRADE IN 1952 (1),(2),(3)

NAME	FLAG	GRT	BENEFICIAL OWNERS	REMARKS
DURHAM HARDY	BR	1929	Wang Kao & Co., Hong Kong	Trading Central China ports in December
GARDULCE	PA	1510	Chinese Communists	Trading Dairen-Shanghai, February-April (3)
BLAPUR	BR	7939	Chinese Communists	Trading China ports February, March, May
NIS	PA	2117	Chinese Communists	Trading Chefoo-Shanghai-Tsingtao, January - March
UETOH	BR	3599	Believed Chinese Communist	Trading Central & North China ports February - April, June, July, September, October, and November
LLIEN	BR	2036	Ho Fat Sing, Ltd., Hong Kong	Trading Central and North China ports October and November Aground at Wanshaw 9-24; refloated 9-30; detained at White Dog Islands 10-11 to 5-12
CHUNAN	BR	3539	Williamson & Co., Ltd., Hong Kong	Reported trading China ports in September and October
BRISLAY	BR	1791	Williamson & Co., Ltd., Hong Kong	Reported trading China ports in September and December
CHNEITH	BR	4290	Williamson & Co., Ltd., Hong Kong	Trading China ports in March
CHEULL	BR	2479	Williamson & Co., Ltd., Hong Kong	Trading Foochow, Shanghai in January & February
IMORAI	PA	3151	Chinese Communists	Trading North China ports January - May (3)
ND	HOND	3118	Chinese Communists	Trading North China ports January-June, August, September and December
AMAR	PA	4764	Chinese Communists	Trading Dairen - Shanghai, February, March, May and June (3)
NIDAD	PA	6181	Chinese Communists	Trading North China ports January - July (3)

~~CONFIDENTIAL~~

[redacted]

TAB C-6 - Continued

CONFIDENTIAL

NAME	FLAG	GRT	BENEFICIAL OWNERS	REMARKS
KOKELO	PA	6103	Chinese Communists	Trading North China ports January - June and August (3)
KORINA	PA	3251	Chinese Communists	Trading North China ports January - June and August (3)
NORTHERN GLOW	BR	5135	Chinese Communists	Trading North China ports January - December
ORBITAL	PA	1555	Chinese Communists	Trading North China ports January - July (3)
PLYMOUTH STAR	BR	157[illegible]	Chinese Communists	Trading Foochow - Shanghai thruh - July; damaged 10 July towed to Hong Kong to be broken up.
ROMANTICO	PA	1221	Chinese Communists	Reported trading North China ports in August (3)
SAGEN	PA	3944	Chinese Communists	Trading Chinwangtao-Shanghai in January & February (3)
SAN EDWARDO	BR	2994	John Manners & Co., Ltd., Hong Kong	Trading Central & North China ports in November
SAN ERNESTO	BR	1538	John Manners & Co., Ltd., Hong Kong	Trading China ports in July
SAN JORGE	BR	3870	John Manners & Co., Ltd., Hong Kong	Trading Foochow-Shanghai in June, August, and November
SHUN LEE (now HIPPOTOMUS)	BR	3372	Believed to be Chinese Communist	Trading China ports January - May
STARSIDE	PA	3351	Chinese Communists	Trading North China ports February, March, May, June - November
STURDAY	PA	4191	Chinese Communists	Trading Chinwangtao - Shanghai in January (3)
TAFENOS	BR	1911	Lee Kun Kwan, Hong Kong	Trading Central & North China ports May, June, August, September
VILLA	PA	2669	Chinese Communists	Trading North China ports January, February and July (3)

NOTES:

(1) This list excludes vessels under 1,000 gross registered tons.
(2) This list includes vessels engaged exclusively in trade between Communist Chinese ports during any one month.
(3) The Panamanian registry of these vessels was revoked on 28 August 1952; and subsequently they are regarded as having assumed Chinese Communist registry.

ANNEX

DEVELOPMENTS DURING THE FIRST QUARTER OF 1953

Available information indicates that Communist China's seaborne imports from both Communist and non-Communist countries rose sharply during the first quarter of 1953. A similarly marked rise occurred during the first quarter of 1953 in the volume of shipping engaged in the China trade. Although the data are not complete, the trends indicated are of sufficient importance to merit summarization below.

A. Recorded Imports from Non-Communist Countries

Recorded imports from non-Communist countries during the first quarter of 1953 are estimated to be approximately $90 million or 80 per cent higher than the first quarter of 1952 and 40 per cent higher than the average quarterly rate in 1952. Particularly sharp increases occurred in China's imports from Western Europe, Hong Kong, and Ceylon, while a notable decline occurred in China's imports from Pakistan.

In the case of Western Europe, China's recorded imports during the first three months of 1953 were higher than the total for 1952 as a whole. The increase was especially marked in exports from Finland, France, Western Germany, Norway, Sweden, and the UK. Information on the commodity composition of this trade is available only from France, Western Germany, Italy and the UK; and from these partial data it appears that a large part of China's increased imports consisted of iron and steel products and machinery from France and Western Germany, synthetic textile fibers from Italy, and chemical fertilizer and industrial chemicals, wool and textile machinery from the UK.

The sharp increase in China's imports from Hong Kong during the first quarter of 1953 is accounted for chiefly by pharmaceuticals, dyestuffs, and instruments (including watches). The increase in imports from Ceylon represents crude rubber. On the other hand, it is notable

that China apparently did not import anything from Pakistan during the first quarter of 1953, in contrast to its large raw cotton imports during the first quarter of 1952.

B. Seaborne Imports from Bloc Ports in Eastern Europe

China's seaborne imports from Communist ports in Europe are estimated at 168,000 tons representing an increase of about 70 per cent over the quarterly average for 1952. Eighty-nine thousand tons were carried in Bloc vessels and 79,000 tons in non-Bloc vessels. Intelligence [redacted] indicates the following compositions:

Commodity	000 Tons
Iron and steel (mainly semi-manufactured)	49
Machinery	8
Transportation equipment	6
Petroleum products	4
Chemicals and pharmaceuticals	7
Non-ferrous metals, and instruments and apparatus	1
Pulp and paper	5
Sugar	33
	113

The transportation equipment consisted largely of railway materials, and at least two of the Bloc ships' cargoes included locomotives. The 33,000 tons of sugar were carried entirely in non-Bloc ships.

[redacted] 13 vessels arrived from the Soviet Far East,

[redacted]

~~SECRET~~

The value of China's recorded imports in the first quarter of 1953, as compared with the first quarter of 1952 and the year 1952, is shown below:

(In Thousands of US $)

Countries	Year 1952	Jan-March 1952	Jan-March 1953
Europe and Western Hemisphere			
Finland	2,932	68	4,691
France	1,740	223	3,274
Western Germany	1,868	385	2,484
Italy	2,423	784	2,259
Norway	247	69	1,622
Sweden	724	463	1,202
Switzerland	2,693	1,300	2,202
UK	6,863	658	9,957
All Other	1,082	2,123	431
Adjustment for c.i.f. (10 per cent)	2,057	607	2,712
Sub-Total	22,629	6,620	30,834
Near East, Asia and Oceania			
Ceylon	21,717	3,171	14,687
Hong Kong	81,847	9,119	40,179
Pakistan	93,911	21,733	0
All Other	19,535	8,334	1,920
Adjustment for c.i.f. (5 per cent)	10,850	2,118	2,834
Sub-Total	227,860	44,475	59,520
Total Recorded Trade	250,489	51,155	90,354

116

~~SECRET~~

C. Volume of Shipping Engaged in China Trade During the First Quarter of 1953

Vessels of Non-Bloc Flag

During the first quarter of 1953, 156 non-Bloc ships of 734,990 GRT arrived in China from outside, compared with 96 ships of 359,000 GRT that arrived during the first quarter of 1952. The increased shipping activity noted towards the end of 1952 has been maintained in the first few months of 1953. Roughly a quarter of the shipping arriving is believed to have discharged no cargo in China.

Sixty-eight per cent of the non-Bloc ships arriving during this period were of British registry. As in 1952, Greek, Norwegian and Danish registered ships were the principal other Flags involved. The participation of Japanese ships in the trade was a new development in 1953. Increased involvement of Finnish and French ships is also noteworthy.

Three Finnish, three British, two Norwegian and one Danish ship loaded cargoes in Poland during the first quarter of 1953 compared with a total of 12 ships sailing from Poland during the whole of 1952. Apart from the increased use of Polish and West European ports, the ports of departure for China were similar to those used in 1952.

Vessels of Soviet Bloc Flag

Twenty-six Soviet Bloc ships totaling 147,000 GRT arrived in China during the first quarter of 1953 compared with 33 ships totaling 199,000 GRT during the same period of 1952. The arrivals in 1953 were made up of 10 Soviet ships of 56,000 GRT from the Far East, 4 Soviet ships of 16,000 GRT from elsewhere (2 from the Black Sea and 1 from each Colombo and Gdynia) and 12 Polish ships of 75,000 GRT from Gdynia.